

Notes to the financial statements for the year ended 31 July 2024

1. General information

The Chancellor, Masters, and Scholars of the University of Cambridge (the 'University') is a common law corporation, governed by its Statutes and Ordinances together with applicable United Kingdom legislation. The University is a public benefit entity and an exempt charity subject to regulation by the Office for Students (OfS) under the Charities Act 2011.

The contact address is: University of Cambridge, The Old Schools, Trinity Lane, Cambridge CB2 1TN UK. The Reports and Financial Statements can be obtained from this address upon request.

References to the University reflect the teaching and research activities of the University (excluding subsidiary companies and Associated Trusts), together with the Press & Assessment (but excluding their subsidiary companies, joint ventures and associates). References to the Group reflect the teaching and research activities of the University together with the Press & Assessment, including all subsidiary companies, Associated Trusts, joint ventures and associates (see Note 37).

The principal activities of the Group and its subsidiary undertakings are teaching, research, and related activities, which include: publishing services; examination and assessment services; the operation of museums, libraries, and collections; and the commercialisation of intellectual property generated within the Group.

2. Statement of compliance

The financial statements have been prepared in accordance with Financial Reporting Standard 102, The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102), including the public benefit entity requirements of FRS 102, the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the SORP), and the Accounts Direction issued by the OfS.

The statement of comprehensive income includes captions additional to those specified by the SORP in order to present an appropriate overview for the specific circumstances of the Group.

3. Statement of significant accounting policies

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The Group has taken advantage of exemptions in FRS 102:

- from preparing a statement of cash flows for the University, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the University's cash flows; and
- from the financial instrument disclosures required under FRS 102 paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A, in relation to the University, as the information is provided in the consolidated financial statement disclosures.

The preparation of financial statements requires judgement in the process of applying the accounting policies and the use of accounting estimates. 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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are discussed at the end of these policies.

(b) Going concern

The Council has a reasonable expectation that the Group has adequate resources to continue to operate for the foreseeable future. In forming this view, the Council notes that the Group:

- undertakes a robust and detailed annual business planning and budgeting process, including preparation of a five-year financial sustainability review in line with OfS guidance as well as ten-year plans for Academic University, and five-year plans for other segments, and as such the going concern nature of the Group has been considered for a period of greater than 12 months from the date of approval of the financial statements;
- applies prudent financial and cash management in order to ensure that its day-to-day working capital needs can be met out of cash and liquid investments; and
- in considering the going concern of the Group, the Council has considered the forecasts and cash position to July 2026 and has considered the liquidity under a severe yet plausible downside scenario to ensure adequate headroom is available to the Group. Potential impact of credit risk and liquidity risk are detailed in Note 40.

For these reasons, the Group continues to adopt the going concern basis in preparing its financial statements.

Notes to the financial statements for the year ended 31 July 2024 (continued)**3. Statement of significant accounting policies (continued)****(c) Basis of consolidation**

The consolidated financial statements include the University and its subsidiary undertakings, details of which are given in Note 37. Entities over which the Group has the power to direct the relevant activities so as to affect the returns to the Group, generally through control over the financial and operating policies, are accounted for as subsidiaries. Intra-group transactions and balances are eliminated on consolidation.

The results of subsidiaries acquired or disposed of in the current or prior years are consolidated for the periods from or to the date on which control passed. The acquisition method of accounting has been adopted for subsidiary undertakings. Amounts attributable to non-controlling interests represent the share of profits on ordinary activities attributable to the interest of equity shareholders in subsidiaries which are not wholly owned by the University.

A joint venture is an entity in which the University, or its subsidiaries, holds an interest on a long-term basis and is jointly controlled by the University or its subsidiaries and one or more other entities under a contractual agreement. An entity is accounted for as an associate where the Group has the ability to exercise significant influence over that entity. The University accounts for joint ventures and associates using the equity method.

The University accounts for jointly controlled assets and operations based upon its share of costs incurred and recognises its share of liabilities incurred. Income and expenditure is recognised based upon the University's share.

The consolidated financial statements do not include the accounts of the 31 Colleges in the University (the Colleges), each of which is an independent corporation. Transactions with the Colleges are disclosed in Note 39.

The consolidated financial statements do not include the accounts of Cambridge Students' Union as this is a separate body in which the University has no financial interest and over which policy decisions it has no control.

(d) Foreign currencies

The Group's and University's functional currency is pound sterling and the financial statements are presented in pound sterling and millions.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. Where foreign branches and subsidiary undertakings accounting in foreign currencies operate as separate businesses, all their assets and liabilities are translated into sterling at year-end rates and the net effect of currency adjustments is included in other comprehensive income. Otherwise, monetary assets and liabilities denominated in foreign currencies are translated into sterling at year-end rates and translation differences are included in income or expenditure.

(e) Recognition of income**Revenue**

Income arising from the sale of goods or the provision of services is recognised in income on the exchange of the relevant goods or services and, where applicable, is shown net of value added taxes, returns, discounts, and rebates as appropriate. In particular:

- **Tuition fees and education contracts**
Tuition fees for degree courses are charged to students by academic term. Income is recognised for academic terms falling within the period. For short courses, income is recognised to the extent that the course duration falls within the period. Professional course fees and other educational contract revenues are recognised in line with the stage of completion/degree of provision of the service, as determined on an appropriate basis for each contract.
- **Examination and assessment services**
Income from examination session-based assessments is recognised when services are rendered and substantially complete. Income from qualifications not based on examination sessions is recognised in proportion to the number of modules required for the qualification that has been achieved by candidates.
- **Publishing services**
Income is recognised when: (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the Group retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the Press & Assessment; and (e) when the specific criteria relating to each of the relevant sales channels have been met. In the case of books, income is recognised upon delivery of goods to the customer.

For materials supplied permanently, income is recognised when the material is first made available to the customer. Subscriptions income, including journals, is recognised evenly over the subscription period. For service offerings, income is recognised evenly as the service is delivered.

Rights and permissions income is recognised on a cash receipt basis. Income in respect of certain co-publishing arrangements is recognised upon the printing of content by the co-publishing partner. Income in respect of project-based contract work is recognised on the basis of progress (percentage of completion), being the ratio of costs incurred at the measurement date and the total expected costs for the programme. In a multiple component arrangement, in the event certain components remain undelivered or incomplete, income is recognised on the fair value of the components delivered, subject to specific conditions being met.

Notes to the financial statements for the year ended 31 July 2024 (continued)**3. Statement of significant accounting policies (continued)****(e) Recognition of income (continued)****Funding body grants and research grants and contracts**

All grant funding, including OfS grants, research grants, and capital grants, from government and other sources, is recognised in income when the University is entitled to the funding and any performance-related conditions have been met. Performance conditions are defined as 'a condition that requires the performance of a particular level of service or units of output to be delivered, with payment of, or entitlement to, the resources conditional on that performance'. Income received in advance of performance-related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met. In respect of grants where no performance-related conditions are defined, income is recognised on the basis of proportionate costs incurred on such grants.

Donations and endowments

Donations and endowments are recognised in income when the University is entitled to the funds. In the majority of cases, this is the point at which the cash is received, although, in the case of capital and particularly building donations or endowments, this is in line with expenditure incurred under the agreement or delivery of specified milestones within the donation agreement.

Donations are credited to endowment reserves, restricted reserves, or unrestricted reserves depending on the nature and extent of restrictions specified by the donor.

Donations with no substantial restrictions are included in unrestricted reserves.

Donations which are to be retained for the future benefit of the University are included in endowment reserves.

Endowment funds are classified under three headings:

- Where the donor has specified that the fund is to be permanently invested to generate an income stream for the general purposes of the University, the fund is classified as an unrestricted permanent endowment and reported through permanent endowment reserves.
- Where the donor has specified that the fund is to be permanently invested to generate an income stream to be applied for a restricted purpose, the fund is classified as a restricted permanent endowment and reported through permanent endowment reserves.
- Where the donor has specified a particular objective other than the acquisition or construction of tangible fixed assets, and that the University must or may convert the donated sum into income, the fund is classified as a restricted expendable endowment.

Other donations with substantially restricted purposes are included in restricted reserves until such time as the restrictions have been met.

Investment income

Investment income is recognised in income in the period in which it is earned.

Other income

Other income is recognised in income in the period in which it is earned.

(f) Employee benefits**Short-term benefits**

Short-term employment benefits, including salaries and compensated absences, are recognised as an expense in the period in which the service is rendered to the University. A liability is recognised at each balance sheet date for unused employee holiday allowances with the corresponding expense recognised in staff costs in the statement of comprehensive income.

Pension costs

The Group contributes to a number of defined benefit pension schemes for certain employees. The two principal pension schemes for the University's staff are the Cambridge University Assistants' Contributory Pension Scheme (CPS) and the Universities Superannuation Scheme (USS). The Press & Assessment operates two pension schemes for its UK staff, the Press Contributory Pension Fund (PCPF) and the Press Senior Staff Pension Scheme (PSSPS). A defined benefit scheme defines the pension benefit that an employee will receive on retirement, dependent upon several factors including length of service and remuneration.

Where the University is unable to identify its share of the underlying assets and liabilities in a multi-employer scheme on a reasonable and consistent basis, it accounts as if the scheme were a defined contribution scheme, so that the cost is equal to the total of contributions payable in the year. Where the University has entered into an agreement with such a multi-employer scheme that determines how the University will contribute to a deficit recovery plan, the University 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 is recognised in expenditure.

For other defined benefit schemes, the net liability or asset recognised in the balance sheet in respect of each scheme is the present value of the defined benefit obligation at the reporting date less the fair value of the plan assets at the reporting date. An asset is recognised to the extent that the Group is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

Notes to the financial statements for the year ended 31 July 2024 (continued)*3. Statement of significant accounting policies (continued)**(f) Employee benefits – Pension costs (continued)*

The defined benefit obligation is calculated using the projected unit credit method. Annually, the Group engages independent actuaries to calculate the obligation for each scheme. The present value is determined by discounting the estimated future payments at a discount rate based on market yields on high-quality corporate bonds denominated in sterling with terms approximating to the estimated period of the future payments.

The fair value of a scheme's assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts, together with the return on plan assets, less amounts included in net interest, are disclosed as actuarial gains and losses.

The cost of the defined benefit plan, recognised in expenditure as staff costs, except where included in the cost of an asset, comprises the increase in pension benefit liability arising from employee service during the period and the cost of plan introductions, benefit changes, curtailments, and settlements. The net interest cost is calculated by applying the discount rate to the net liability. This cost is recognised in expenditure as a finance cost.

Further detail is provided on the specific pension schemes in Note 36 to the financial statements.

(g) Taxation*Current tax*

The University's current tax is composed of UK and non-UK tax payable (or recoverable) in respect of taxable profit or loss for the year or prior year. Tax is calculated on the basis of tax rates and laws that have been enacted, or substantively enacted, by the year end.

The University has charitable status in the UK as one of the exempt charities listed in Schedule 3 to the Charities Act 2011. As such, it is listed as a charity within the meaning of Paragraph 1 of Schedule 6 to the Finance Act 2010. Accordingly, the University is potentially exempt from Corporation Tax on income and gains falling within section 287 of the Corporation Tax Act (CTA) 2009 and sections 471 and 478–488 CTA 2010 or section 256 of the Taxation and Chargeable Gains Tax Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes. Certain of the University's non-UK subsidiaries benefit from equivalent or similar exemptions in their territories of tax residency.

Material commercial trading activities undertaken by the University are operated through its subsidiary companies, which are liable to UK Corporation Tax or equivalent taxes for non-UK tax resident subsidiaries. However, the taxable profits made by these UK companies are typically distributed as qualifying charitable donations, to the extent that the companies have distributable reserves, which would negate the liability.

Deferred tax

Deferred tax arises from timing differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is recognised on all timing differences at the balance sheet date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

VAT

Whilst some of the University's principal activities are exempt from Value Added Tax (VAT), certain activities and other ancillary supplies and services are liable to VAT at various rates, as are the commercial activities undertaken by its UK subsidiaries. Non-UK subsidiaries undertaking commercial activities are liable to VAT or other turnover-based taxes such as Goods and Services Tax (GST) or US Sales Tax. Expenditure includes VAT charged by suppliers to the University where it is not recoverable and is likewise included in the cost of fixed assets.

Notes to the financial statements for the year ended 31 July 2024 (continued)**3. Statement of significant accounting policies (continued)****(h) Intangible assets and goodwill**

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Intangible assets consist of book lists, intellectual property, customer relationships, development of new products and curriculums, software and related assets under construction. Book lists purchased separately from a business are capitalised at cost. Book lists and intellectual property acquired as part of an acquisition are capitalised at their fair value where this can be measured reliably.

Intangible assets are amortised on a straight-line basis over their estimated useful lives.

Asset	Estimated life for amortisation
Book lists	Up to 5 years
Intellectual property	Up to 10 years
Software and licences	3 to 10 years
Customer relationships	Up to 10 years
Content	3 years
Capitalised development costs	3 to 10 years
New product development	Up to 5 years
Curriculum development	Up to 5 years

Amortisation is charged to net operating expenses in the consolidated income statement.

Costs associated with maintaining computer software are recognised as an expense as incurred. Development costs that are directly attributable to the design (including testing) of identifiable and unique software products or curriculums controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the development so that it will be available for use;
- Management intends to complete the development and use or sell it;
- There is an ability to use or sell the asset;
- It can be demonstrated how the asset will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the asset are available; and
- The expenditure attributable to the asset during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Assets under construction are stated at cost. These assets are not amortised until they are available for use.

Goodwill arises on consolidation and is based on the fair value of the consideration given for the subsidiary and the fair value of its assets at the date of acquisition. Goodwill is amortised over its estimated economic life of between five and ten years on a straight-line basis.

The carrying value of intangible assets and goodwill is considered in light of events or changes in circumstances which may indicate that the carrying value may not be recoverable. Where there is impairment in the carrying value of these assets, the loss is included in the results of the period.

(i) Fixed assets**Land and buildings**

Operational land and buildings are included in the financial statements using the FRS 102 fair value at 1 August 2014 as deemed cost, with subsequent additions at cost.

No depreciation is provided on freehold land. Freehold buildings are written off on a straight line basis over their estimated useful lives, which are typically between 15 and 60 years (in exceptional circumstances up to 96 years). Leasehold properties are written off over the length of the lease.

Assets under construction

Assets under construction are stated at cost. These assets are not depreciated until they are available for use. Financing costs are not capitalised as part of additions to fixed assets.

Equipment

Equipment costing less than £30,000 per individual item is typically written off in the year of purchase. All other equipment is capitalised and depreciated so that it is written off on a straight line basis over its estimated useful life of between three and ten years.

Notes to the financial statements for the year ended 31 July 2024 (continued)**3. Statement of significant accounting policies (continued)****(j) Heritage assets**

The University holds and conserves a number of collections, exhibits, artefacts, and other assets of historical, artistic, or scientific importance. Heritage assets acquired before 1 August 1999 have not been capitalised, since reliable estimates of cost or value are not available on a cost-benefit basis. Acquisitions since 1 August 1999 have been capitalised at cost or, in the case of donated assets, at expert valuation on receipt. In line with the accounting policy in respect of equipment, the threshold for capitalising assets is £30,000. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material.

(k) Investments

Non-current investments are included in the balance sheet at fair value, except for investments in subsidiary undertakings, which are stated in the University's balance sheet at cost and eliminated on consolidation. All gains and losses on investment assets are recognised in the statement of comprehensive income as they accrue.

Cambridge University Endowment Fund (CUEF)

The CUEF is assessed to be controlled by the University and, as such, forms part of the consolidated financial statements. The total assets of the CUEF are disclosed within 'Investments – other (non-current)' where beneficial ownership resides with the University, and in 'Investments – current' where beneficial ownership resides with Colleges and Associated Bodies, on the basis that the latter is substantially available for redemption in less than one year.

Amounts due to Colleges and Associated Bodies are classified as a financial liability within 'Creditors: amounts falling due within one year' as they are substantially available for redemption in less than one year and without material restriction. Other liabilities of the CUEF comprise derivative financial instruments and secured borrowings, and are disclosed under the appropriate financial statement line items.

Other investments

Marketable securities are valued using the quoted market prices at 31 July. Investments in spin-out companies are valued in accordance with the International Private Equity and Venture Capital Guidelines. Investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Investment properties

A property will be deemed an investment property by the University if the following conditions are met:

- The University's core objective remains delivering excellence in teaching and research, and not in the provision of accommodation.
- The properties are designed to generate long-term financial returns through rental and capital appreciation.
- Any associated rental model is market-linked and rentals are not substantially below market levels.
- The University retains a degree of choice over tenants.
- The properties are not deemed to be social housing.

After initial recognition at cost, investment property shall be measured at fair value at each reporting date with changes in fair value recognised in the statement of comprehensive income. The investment property portfolio has been categorised into the following components:

- Shared equity properties: these properties are valued annually on an open market value basis by an external valuer. The properties are not inspected internally.
- Residential and non-residential rental properties: these properties are valued annually on an open market value basis by an external valuer.
- North West Cambridge development: Phase 1, which is complete, is valued annually by an external valuer based on estimated open market values. Subsequent phases are valued annually, taking into account land values including any planning permission attributed to that land as well as determining any aspect of the assets which may be assigned for the University's own use. The future development is valued with reference to the proposed planning permission and by having regard to comparable sales and residual appraisals to arrive at a fair value.

To the extent that the University has assigned property for its own use then it will be valued at cost. Once subsequent phased construction commences, it is intended to value the property at open market value for the land plus the associated costs of construction.

(l) Stock and work in progress

Stock is stated at the lower of cost and net realisable value after making provision for slow-moving and obsolete items. Cost includes the purchase price, including taxes, duties, and transport and handling costs directly attributable to bringing the inventory to its present location and condition.

In respect of publishing services, (a) direct costs incurred prior to publication are included in current assets where the title will generate probable future economic benefits and costs can be measured reliably. These costs are amortised upon publication of the title over the estimated useful life of the product (Academic products over 18 months and Learning products over 36 months); (b) the University makes full provision against the cost of stock in excess of projected future sales on all inventory aged 24 months since the publication date; and (c) provision for impairment of accumulated pre-publication costs is made based on recoverability of unamortised pre-publication costs.

Notes to the financial statements for the year ended 31 July 2024 (continued)**3. Statement of significant accounting policies (continued)****(m) Cash and cash equivalents**

Cash includes cash in hand, cash at bank, deposits repayable on demand, and bank overdrafts. Deposits are repayable on demand if they are in practice available on call without penalty. Bank overdrafts are shown within borrowings in current liabilities. Cash equivalents are short term (typically with less than three months' notice or a fixed term of three months or less at inception) highly liquid investments, which are readily convertible into cash and include deposits and other instruments held as part of the University's treasury management activities.

(n) Financial instruments

The University has elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition, measurement, and disclosure of financial instruments.

Financial assets

Basic financial assets include trade and other receivables and cash and cash equivalents. 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 balance sheet 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, associates, 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.

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 of the asset are transferred to another party.

Financial liabilities

Basic financial liabilities include trade and other payables, bank loans, and inter-group 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.

The University has debt instruments through:

- long-term unsecured fixed interest bonds issued in October 2012 and June 2018 and listed on the London Stock Exchange. The bonds were initially measured at the proceeds of issue less all transaction costs directly attributable to the issue. After initial recognition, the bonds are measured at amortised cost using the effective interest rate method. Under this method the discount at which the bonds were issued and the transaction costs are accounted for as additional expense over the term of the bonds (see Note 29); and
- long-term unsecured CPI-linked bonds issued in June 2018 and listed on the London Stock Exchange. These bonds are deemed to be complex financial instruments and so are initially recognised at fair value at the transaction date and subsequently re-measured to their fair value at the reporting date. For financial instruments that are subsequently re-measured at fair value through profit or loss, transaction costs (net of any fees paid or received) are not added to or deducted from the amount initially recognised, instead they are expensed immediately on initial recognition.
- Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers.
- 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 or are held within the CUEF where any change in fair value is reflected through investment gains or losses.
- To the extent that the University enters into forward foreign exchange contracts which remain unsettled at the balance sheet 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 balance sheet date. The University does not apply 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.

Notes to the financial statements for the year ended 31 July 2024 (continued)**3. Statement of significant accounting policies (continued)****(o) Related party transaction**

The University discloses transactions with related parties, which are outlined in detail in Note 38 to the financial statements.

(p) Segment information

The Group operates in a number of different classes of business. For the purpose of segmental reporting, classes of business have been identified by reference to the nature of activity, the nature of funding, and the management organisation (see Note 19).

(q) Lease commitments

The Group assesses agreements that transfer the right to use assets. Leases are classified as finance leases if they transfer substantially all the risks and rewards incidental to ownership of an asset. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement. Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

(r) Climate change

As described on page 290, the University Council have a commitment to reduce emissions from the operational estate to absolute zero by 2048 and a target for the reducing emissions from our CUEF investments to net zero by 2038. Page 290 also describes the activities being undertaken at this time to address this. The costs of meeting the University's zero carbon objectives remain to be fully determined.

The impact of climate change is considered in preparation of specific aspects of the financial statements, for example, when considering whether indicators of impairment of assets exist, or the existence of capital commitments. No material impacts have been identified in the year. The Group intends to continue to develop a systematic approach to climate change risk assessment in preparation of the financial statements in future periods, in the context of the maturation and prioritisation of the University's physical programme of action.

4. Critical accounting judgements, estimates and assumptions

Management is required to adopt those accounting policies most appropriate to the circumstances for the purposes of presenting fairly the Group's financial position, financial performance, and cash flows. The preparation of the Group and University's financial statements requires management to make judgements, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities, income, and expenses. These judgements, estimates, and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Given the continued uncertainty in global and UK economic conditions, it is increasingly difficult to predict the impact on the Group's reported and future financial position. Valuations for the Group's investments (including properties, the endowment fund, spin-outs and other securities) and pension funds rely on third-party and other market valuations. These valuations are subject to inherent uncertainty as global markets continue to fluctuate amid continued geopolitical uncertainty.

The resulting accounting estimates will, therefore, by definition, be unlikely to equal the related actual results and may lead to adjustments to the future carrying value of assets and liabilities.

(a) Critical judgements in applying the Group's accounting policies***i. Revenue recognition***

Revenues, particularly donations and grant income, are subject to judgement over when and by how much revenues should be recognised in the financial statements. This includes determining when entitlement arises, such as performance conditions being met, recognising research and other funding revenues in line with expenditure once a right to the funding is deemed to have arisen, and determining the revenues associated with partially delivered courses and training where the activities have not been fully completed at the reporting date.

ii. Consolidation of the CUEF

As described in Note 3(k), the CUEF is considered to be controlled by the University and, as such, forms part of the consolidated financial statements. The University, through its statutes and governance processes, and its ability to control the financial and operating policies of the CUEF so as to obtain benefits from its activities, is considered to meet the criteria of FRS 102 sections 9.4 and 9.5 with respect of demonstrating control.

Notes to the financial statements for the year ended 31 July 2024 (continued)**4. Critical accounting judgements, estimates and assumptions (continued)****(b) Key accounting estimates and assumptions***i. Investment valuations (Note 12)*

The CUEF is comprised of a range of investment asset categories where there is not always a clearly observable valuation basis available.

Investments which are not listed or which are not frequently traded are stated at the Valuation Committee's best estimate of fair value. With respect to investments held through pooled funds or partnerships, reliance is placed on valuations of the underlying listed and unlisted investments as supplied by the investment fund managers of those funds or partnerships. The principles applied by the investment fund managers to those valuations are reviewed to ensure they are in compliance with CUEF policies. With respect to other investments, recognised valuation techniques are used, which may take account of any recent arm's-length transactions in the same or similar investment instruments. However, where no reliable fair value can be estimated, investments are stated at cost.

The CUEF valuation was based on 30 June and the University has carried out an exercise to determine the fund valuation as at 31 July. Where July statements were not available, the Group has adjusted for known cash movements and used the movement in indices for various asset classes to estimate the valuation changes from June to July. Valuation adjustments are considered on an individual basis when the movement in the relevant index is greater than an agreed threshold. The indices chosen to be used for this exercise represented the underlying characteristics of these specific funds (that is, geographic location, industry of the fund, similar markets). The use of these indices require judgement. The valuation approach was approved by the UCIM's valuation Committee. A 10% change in the movement in valuation between 30 June 2024 and 31 July 2024 in assets where indices have been used would result in an increase/decrease of £0.3m in comprehensive income.

ii. Valuation of investment properties

Properties held for investment purposes are revalued annually by accredited valuers, typically on the basis of estimated open market values on an existing use basis. Such valuations are based on assumptions and estimates including rental growth projections, key worker salary increases, whether break clauses will be taken, discount rates, future cash flows, and associated expenditure, which are impacted by a variety of factors, including changes in market and other economic conditions, which may have a material impact on the annual valuations.

In the current year, one of the key estimates used by the valuers, based on historic performance and by analysing historic wage inflation, is rental growth of key worker housing of 3.0% for 2024 (2023: 3.0%). The total investment property portfolio for key worker housing is £138.7m (2023: £132.0m).

Property yields, estimated rental value (ERVs) and capital value rates per square foot are other key judgements applied in the investment property valuations.

A change in valuation of 10% for the investment property portfolio would result in an increase/decrease of £47.7m (2023: £50.9m) in comprehensive income.

iii. Defined benefit pension schemes and funding of pension deficits

The University has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including: life expectancy; salary increases; asset valuations; and the discount rate on corporate bonds.

Based on actuarial advice provided, management estimate these factors to determine the net pension obligation in the statement of financial position (see Note 36).

For the defined benefit component of the Cambridge University Assistants' Contributory Pension Scheme (CPS), which is in a surplus position at the balance sheet date, the University has recognised an asset as the scheme is open to new members and accrual for existing members, and the University is therefore able to recover the surplus through reduced future contributions.

In the previous year, the University recognised a provision for its obligation to fund past deficits arising within the Universities Superannuation Scheme (USS) (see Note 30). Management is satisfied that the USS meets the definition of a multi-employer scheme and therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the balance sheet date, relating to the 2020 actuarial valuation. During the year, the 2023 actuarial valuation was finalised, and the resulting surplus led to the removal of the obligation to make deficit recovery contributions effective from 1 January 2024. As a result, the University derecognised the provision in full during the year.

iv. CPI-linked bond valuation

The CPI-linked bond must be remeasured to fair value at each balance sheet date. This requires valuation estimates provided by third-party valuers. Given the bond operates in an illiquid market, this requires an estimate of the offer price (see Note 41 for more information on methodology). Sensitivity analysis is provided in Note 41.

Notes to the financial statements for the year ended 31 July 2024 (continued)

5. Tuition fees and education contracts

	Group 2024 £m	Group 2023 £m	University 2024 £m	University 2023 £m
Full-time home / EU students	148.5	145.3	148.5	145.3
Full-time overseas (non-EU) students	191.7	172.7	191.7	172.7
Other course fees	53.9	46.4	33.5	29.0
Research Training support grants	21.2	25.7	21.2	25.7
	415.3	390.1	394.9	372.7

6. Funding body grants

	Group 2024 £m	Group 2023 £m	University 2024 £m	University 2023 £m
Recurrent grant: teaching	20.8	19.7	20.8	19.7
Recurrent grant: research	140.1	143.7	140.1	143.7
Recurrent grant: museum funding	2.1	2.3	2.1	2.3
Other revenue grants	16.8	15.9	16.8	15.9
Total revenue grants	179.8	181.6	179.8	181.6
Capital grants recognised in the year	22.7	26.0	22.7	26.0
	202.5	207.6	202.5	207.6

7. Research grants and contracts

	Group 2024 £m	Group 2023 £m	University 2024 £m	University 2023 £m
Research councils	188.4	172.8	188.4	172.8
UK-based charities	175.0	172.1	175.0	172.1
European Commission	32.2	39.1	32.2	39.1
UK industry	27.5	26.3	26.9	25.7
UK government	61.9	56.2	60.8	55.5
Other bodies	98.3	103.0	85.5	90.6
	583.3	569.5	568.8	555.8

Total research grants and contracts income includes grants of £4.9m (2023: £5.8m) towards the cost of buildings and £11.8m (2023: £17.9m) for the purchase of equipment.

8. Examination, assessment, and publishing services

	Group 2024 £m	Group 2023 £m	University 2024 £m	University 2023 £m
Examination fees	549.6	508.0	470.4	434.9
Publishing	384.7	390.3	336.3	356.5
Other examination and assessment services	82.5	92.7	24.9	23.0
	1,016.8	991.0	831.6	814.4

*Notes to the financial statements for the year ended 31 July 2024 (continued)***9. Donations and endowments**

	Group 2024 £m	Group 2023 £m	University 2024 £m	University 2023 £m
New endowments	38.3	10.5	38.3	10.1
Donations of, and for the purchase of, fixed assets	32.8	4.1	32.8	4.1
Donations of, and for the purchase of, heritage assets	6.5	19.1	6.5	19.1
Other donations with restrictions	55.4	79.8	46.1	71.1
Donations from subsidiary companies	–	–	11.6	10.8
Unrestricted donations	17.2	18.9	15.1	12.5
	150.2	132.4	150.4	127.7

Other donations with restrictions includes donations for multi-year programmes where the related expenditure is incurred across multiple years. Included within donations from subsidiary companies to the University is £0.3m (2023: £0.4m) relating to capital donations received for the purchase of fixed assets.

10. Sources of grant and fee income

	Group 2024 £m	Group 2023 £m	University 2024 £m	University 2023 £m
Grant income from the OfS	25.3	24.1	25.3	24.1
Grant income from other bodies	177.2	183.5	177.2	183.5
Fee income for taught awards *	290.2	278.3	290.2	268.6
Fee income for research awards *	78.8	74.1	78.8	74.1
Fee income from non-qualifying courses *	46.4	37.7	26.0	30.0
	617.9	597.7	597.5	580.3

* Exclusive of Value Added Tax

Grant and fee income consist of Tuition fees and education contracts of £415.3m (2023: £390.1m) and Funding body grants of £202.5m (2023: £207.6m). Grant income from the OfS relates to income received by the University for the provision of, or in connection with, education-related activities. This includes recurrent teaching funding and non-recurrent funding, such as grants for capital infrastructure. Grant income from other bodies reflects grants from UK Research and Innovation (UKRI), Research England, and other bodies. Fee income for taught and research awards includes fees received for both undergraduate and postgraduate awards, but excludes research training support grants. Fee income from non-qualifying courses are fees paid by students (or others on their behalf) for non-credit-bearing courses, further education courses, research training support or any other courses not included in the other categories. The above table excludes the grant income received and reported through other income (see Note 11).

11. Other income

	Group 2024 £m	Group 2023 £m	University 2024 £m	University 2023 £m
Other services rendered	76.3	77.9	60.5	61.2
Health and hospital authorities	24.5	22.8	24.5	22.8
Residences, catering, and conferences	13.6	13.9	13.4	13.6
Income from intellectual property	3.4	5.7	3.7	4.8
Rental income	41.0	27.3	38.2	24.7
Grants received (other than those included in Note 6 and Note 7 above)	3.8	5.5	1.5	2.5
Sundry income	25.9	24.9	92.9	67.2
	188.5	178.0	234.7	196.8

Other services rendered includes externally generated sales across a wide variety of activities, such as University staff and equipment charged out on external projects, the provision of veterinary services, farming sales (crop and milk), and restoration services.

*Notes to the financial statements for the year ended 31 July 2024 (continued)***12. Investment income**

Investment returns generated by the Cambridge University Endowment Fund (CUEF) constitute a significant proportion of investment income. The CUEF is a unitised fund constituted by Trust Deed with the University as sole trustee holding the property of the CUEF on trust for unit holders. Unit holders are the University, a number of its subsidiary undertakings, and UK charities associated with the University (such as Colleges and trusts) provided they meet the necessary eligibility requirements. The University operates the fund through its wholly-owned subsidiary, University of Cambridge Investment Management Limited, to deliver long-term investment in respect of individual restricted endowments and other balances. The CUEF is managed on a total return basis (that is, income and net capital gains) and invests in asset classes which generate little or no income. Distributions are made to unit holders 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. Unit holders receive distributions as income.

Distributions made to unit holders are usually funded through both investment income generated on the underlying CUEF assets and an element by drawing on the long-term capital growth of the investments. For the year ended 31 July 2024 distributions by the CUEF totalled £151.7m (2023: £138.2m) all of which were funded by drawing on the long-term capital gain as investment expenses were more than investment income. As the CUEF is consolidated in the financial statements of the Group, the distribution from the CUEF is eliminated on consolidation.

	Group 2024 £m	Group 2023 £m	University 2024 £m	University 2023 £m
Investment income from underlying CUEF assets	31.0	20.6	31.0	20.6
Income from other investments, including current asset investments and cash equivalents	43.1	29.1	36.0	24.9
	74.1	49.7	67.0	45.5

Notes to the financial statements for the year ended 31 July 2024 (continued)

13. Total income

Consolidated total income of £2,630.7m (2023: £2,518.3m) is credited to reserves as follows:

	Group: Year ended 31 July 2024				Group: Year ended 31 July 2023			
	Endowments £m	Restricted £m	Unrestricted £m	Total £m	Endowments £m	Restricted £m	Unrestricted £m	Total £m
Tuition fees and education contracts	-	-	415.3	415.3	-	-	390.1	390.1
Funding body grants	-	22.7	179.8	202.5	-	26.0	181.6	207.6
Research grants and contracts	-	58.6	524.7	583.3	-	49.7	519.8	569.5
Examination, assessment and publishing services	-	-	1,016.8	1,016.8	-	-	991.0	991.0
Donations and endowments	38.3	76.6	35.3	150.2	10.5	61.1	60.8	132.4
Other income	-	3.8	184.7	188.5	-	5.5	172.5	178.0
Investment income	(0.9)	5.8	69.2	74.1	(1.7)	2.8	48.6	49.7
	37.4	167.5	2,425.8	2,630.7	8.8	145.1	2,364.4	2,518.3

Consolidated total income of £2,630.7m (2023: £2,518.3m) is attributable as follows to the three broad categories defined by FRS 102: revenue, government grants, and non-exchange transactions:

	Group: Year ended 31 July 2024				Group: Year ended 31 July 2023			
	Revenue £m	Government grants £m	Non- exchange transactions £m	Total £m	Revenue £m	Government grants £m	Non- exchange transactions £m	Total £m
Tuition fees and education contracts	394.1	21.2	-	415.3	364.4	25.7	-	390.1
Funding body grants	-	202.5	-	202.5	-	207.6	-	207.6
Research grants and contracts	-	282.5	300.8	583.3	-	268.1	301.4	569.5
Examination, assessment and publishing services	1,016.8	-	-	1,016.8	991.0	-	-	991.0
Donations and endowments	-	-	150.2	150.2	-	-	132.4	132.4
Other income	158.8	3.8	25.9	188.5	147.6	5.5	24.9	178.0
Investment income	74.1	-	-	74.1	49.7	-	-	49.7
	1,643.8	510.0	476.9	2,630.7	1,552.7	506.9	458.7	2,518.3

*Notes to the financial statements for the year ended 31 July 2024 (continued)***14. Staff costs**

	Group 2024 £m	Group 2023 £m	University 2024 £m	University 2023 £m
Wages and salaries	921.9	852.5	809.5	749.3
Social security costs	100.1	89.7	88.7	80.4
Pension costs:				
Gross pensions costs included within staff costs	162.1	186.3	155.1	178.9
Net change in USS deficit recovery provision (see Note 30)	(356.7)	(103.0)	(342.0)	(103.3)
Net change in other pension provisions	(0.7)	(4.9)	(0.9)	(5.2)
Total pension costs (see Note 36)	(195.3)	78.4	(187.8)	70.4
Total staff costs	826.7	1,020.6	710.4	900.1
The average number of staff employed in the year, expressed as full-time equivalents, was:	19,592	18,425		

Based on the 2023 valuation of the Universities Superannuation Scheme (USS), the impact of the net change in the USS deficit recovery provision is a credit of £356.7m (2023: credit of £103.0m). This comprises a non-cash credit to staff costs resulting from the change in assumptions, including the change in discount rate, of £344.3m (2023: credit of £75.2m) and cash contributions made to reduce the deficit in the year of £12.4m (2023: £27.8m). The cash contributions are recognised in Gross pension costs included in staff costs, with the corresponding credit recognised in Net change in USS deficit recovery provision. Total USS cash contributions are £121.5m (2023: £137.3m), which comprise the cash contributions made to reduce the deficit noted above, and ongoing contributions of £109.1m (2023: £109.5m).

Remuneration and pay ratios of the Vice-Chancellor

With income of over £2.6bn, and more than 19,000 staff across the Group and a diverse range of academic and non-academic strands, the University is a complex organisation. It is one of the largest universities in the UK, with significant academic standing and global presence, regularly appearing in the top five of global university rankings.

Consequently, when considering the remuneration for the Vice-Chancellor, the Remuneration Committee undertakes detailed analysis of comparable salaries in the UK, North America and Australia. The Remuneration Committee considers the range within which a salary can be offered and proposes a package to the Council once the candidate is identified. The last recruitment exercise for Vice-Chancellor was undertaken during the previous year.

The Vice-Chancellor's performance is assessed annually against objectives agreed by the Council. Based on that assessment, the Council determines any salary increase, having been advised by the Remuneration Committee and taking due regard of salary growth across the wider University.

In the previous year, the term of office of the Vice-Chancellor who was in post at the beginning of the year ended on 30 September 2022. An Acting Vice-Chancellor was in post from 1 October 2022 to 30 June 2023. The current Vice-Chancellor's term of office commenced on 1 July 2023. The disclosures in this note relate to the current Vice-Chancellor for the year ended 31 July 2024 and three post-holders for the year ended 31 July 2023.

The remuneration of the current Vice-Chancellor is detailed in the table below and relates to the year from 1 August 2023 to 31 July 2024. The comparative year information relates to the three post holders during the previous year.

	2024 Total £'000	2023 Post-holder to 30 September 2022 £'000	2023 Post-holder 1 October 2022 to 30 June 2023 £'000	2023 Post-holder 11 April to 31 July 2023* £'000	2023 Total £'000
Salary for the year	409	66	209	123	398
Other taxable remuneration	42	-	-	-	-
Deductions to reflect salary sacrifice arrangements	(31)	(2)	-	(12)	(14)
Net salary paid in the year	420	64	209	111	384
Taxable benefits in kind	29	8	-	17	25
Non-taxable benefits in kind	25	-	-	13	13
Total excluding employer pension contributions	474	72	209	141	422
Employer pension contributions	103	6	-	38	44
Payments made in lieu of pension	-	8	25	-	33
Total remuneration	577	86	234	179	499

* The post holder became an employee of the University on 11 April 2023, prior to commencement of her term of office on 1 July 2023. The disclosures relate to the period from 11 April to 31 July 2023.

Notes to the financial statements for the year ended 31 July 2024 (continued)**14. Staff costs (continued)**

During the year, the Vice-Chancellor was paid £42,486 additional taxable remuneration in relation to relocation expenses paid by the Vice-Chancellor and reimbursed by the University. The amount comprised reimbursement of the relocation expenses of £23,838, and £18,648 to compensate for income tax and national insurance deductions on the gross payment. As a result, the net payment after income tax and national insurance received by the Vice-Chancellor equalled the relocation expenses incurred.

Taxable benefits in kind for the current Vice-Chancellor include accommodation, utilities and property taxes of £29,177 (11 April to 31 July 2023: £2,496) and other taxable benefits of £70 (11 April to 31 July 2023: £14,367) which in the previous year included the taxable element of relocation expenses borne by the University. Non-taxable benefits are £24,591 (11 April to 31 July 2023: £12,841). Current year non-taxable benefits comprise personal travel costs of £22,564 and other reimbursed costs of £2,027. Prior year non-taxable benefits include relocation costs borne by the University up to the £8,000 HMRC relocation allowance, and personal travel costs of £4,841.

In the previous year, taxable benefits in kind for the post-holder up to 30 September 2022 comprised accommodation, utilities and property taxes of £8,292.

HMRC wrote to all universities in April 2019 to warn that proposed changes to HMRC's interpretation of the relevant legislation would likely result in the provision of any accommodation associated with employment becoming a taxable benefit from 6 April 2021. For many universities, including Cambridge, the subsequent change affected official residences occupied by university leaders. The University of Cambridge had to reassess, from 6 April 2021, the way in which it covers the costs of the Vice-Chancellor's Lodge. The Lodge is provided to the Vice-Chancellor as part of their employment contract and the post holder is contractually required to reside there. The taxable accommodation benefit has been calculated on a basis agreed with HMRC, using the 'employer-related living accommodation' rules. The University Council approved equalisation payments to the Vice-Chancellor in post at the start of the previous year and up to 30 September 2022 to cover the additional costs arising from the change in tax position, given the exceptional circumstances of the change occurring during the Vice-Chancellor's contract. Equalisation payments made during the prior year related to liabilities that arose during the prior and previous years. These payments should not be regarded as additional remuneration; they were made to ensure that the Vice-Chancellor's financial position was the same as it was before HMRC made this change. No equalisation payments were made in the previous year to the Acting Vice-Chancellor or in the current or previous year to the current Vice-Chancellor.

The Interim Vice-Chancellor in post between 1 October 2022 and 30 June 2023 did not receive any benefits in kind.

Pay ratios:

- (a) The Vice-Chancellor's basic salary is 10.4 times (2023: 10.3) the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the University to its staff. The comparative ratio reflects the full year basic salary equivalent for the Vice-Chancellor.
- (b) The Vice-Chancellor's total remuneration is 12.7 times (2023: 10.4) the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the total remuneration paid by the University to its staff. The comparative ratio reflects the full year remuneration equivalent for the Vice-Chancellor. Total remuneration of the Vice-Chancellor includes relocation expenses described on page 337. Excluding relocation expenses, the Vice-Chancellor's total remuneration is 11.8 times (2023: 10.0 times) the median pay of staff.

The median pay calculation includes 1,080 (2023: 1,223) agency staff employed on temporary contracts through the University's Temporary Employment Services (TES).

*Notes to the financial statements for the year ended 31 July 2024 (continued)**14. Staff costs (continued)***Basic salary bandings for higher paid staff**

The number of staff (FTE's) with a basic salary (including market pay supplements) in excess of £100,000 p.a., before salary sacrifice arrangements is outlined below:

	Group 2024 Number	Group 2023 Number
£100,001 – £105,000	113	114
£105,001 – £110,000	96	108
£110,001 – £115,000	97	73
£115,001 – £120,000	88	66
£120,001 – £125,000	68	83
£125,001 – £130,000	69	36
£130,001 – £135,000	104	45
£135,001 – £140,000	44	18
£140,001 – £145,000	27	21
£145,001 – £150,000	26	15
£150,001 – £155,000	15	9
£155,001 – £160,000	24	22
£160,001 – £165,000	17	12
£165,001 – £170,000	15	11
£170,001 – £175,000	12	6
£175,001 – £180,000	9	9
£180,001 – £185,000	7	7
£185,001 – £190,000	11	5
£190,001 – £195,000	9	5
£195,001 – £200,000	6	3
£200,001 – £205,000	3	2
£205,001 – £210,000	4	1
£210,001 – £215,000	1	3
£215,001 – £220,000	4	7
£220,001 – £225,000	6	3
£225,001 – £230,000	2	–
£230,001 – £235,000	3	2
£235,001 – £240,000	1	3
£240,001 – £245,000	1	1
£245,001 – £250,000	1	2
£250,001 – £255,000	1	2
£255,001 – £260,000	2	–
£260,001 – £265,000	2	1
£265,001 – £270,000	2	1
£275,001 – £280,000	2	–
£285,001 – £290,000	1	–
£310,001 – £315,000	–	1
£330,001 – £335,000	1	–
£355,001 – £360,000	–	1
£360,001 – £365,000	–	1
£370,001 – £375,000	1	–
£380,001 – £385,000	1	–
£405,001 – £410,000	1	–
£415,001 – £420,000	–	1
£435,001 – £440,000	1	–
£505,001 – £510,000	–	1
£535,001 – £540,000	1	–
	899	701

The above statistics include staff engaged in business and commercial activities, including those of the Press & Assessment. The above bandings also include the Vice-Chancellor.

Notes to the financial statements for the year ended 31 July 2024 (continued)

14. Staff costs (continued)

Compensation for loss of office

	Group 2024 £000	Group 2023 £000
Aggregate payments for compensation for loss of office were paid to 414 members of staff in 2023–24 (392 in 2022–23):		
Payments in respect of loss of office	4,455	4,398

Key management personnel

	Group 2024 £000	Group 2023 £000
The total remuneration of the Vice-Chancellor, the Pro-Vice-Chancellors, Chief Financial Officer and Registrar for the year (or part thereof), comprising salary and benefits (taxable and non taxable), employer pension contributions and before salary sacrifice arrangements, was:	2,441	2,322

15. Analysis of consolidated expenditure by activity

	Staff costs £m	Other operating expenses £m	Depreciation and amortisation £m	Interest payable £m	Group 2024 Total £m	Group 2023 Total £m
Academic departments	346.5	71.2	8.5	–	426.2	429.2
Academic services	44.5	11.6	5.8	–	61.9	59.6
Payments to Colleges (see Note 39)	–	88.9	–	–	88.9	85.9
Research grants and contracts	260.8	224.0	18.4	–	503.2	482.8
Other activities:						
Press & Assessment	368.3	438.8	53.7	1.5	862.3	873.0
Other services rendered	24.6	64.7	0.1	–	89.4	69.3
Intellectual property	2.8	1.4	0.1	0.1	4.4	22.0
Residences, catering, and conferences	3.3	16.2	–	–	19.5	19.2
Other activities total	399.0	521.1	53.9	1.6	975.6	983.5
Administration and central services:						
Administration	81.4	66.1	4.2	(0.5)	151.2	86.6
General educational	10.1	102.4	0.1	–	112.6	100.5
Staff and student facilities	6.5	2.4	–	–	8.9	6.6
Development office	8.5	7.6	–	–	16.1	16.2
Other	4.2	14.7	–	–	18.9	16.3
Administration and central services total	110.7	193.2	4.3	(0.5)	307.7	226.2
Premises	20.2	94.1	60.7	–	175.0	169.5
Interest payable on bond liabilities	–	–	–	8.0	8.0	(64.3)
CUEF administration expenses	–	41.0	–	–	41.0	26.4
Pension cost adjustments for USS (see Note 30)	(356.7)	–	–	8.0	(348.7)	(88.4)
Pension cost adjustments for CPS (see Note 36)	1.7	–	–	3.2	4.9	7.5
Total per statement of comprehensive income	826.7	1,245.1	151.6	20.3	2,243.7	2,317.9

Notes to the financial statements for the year ended 31 July 2024 (continued)

15. Analysis of consolidated expenditure by activity (continued)

	Group 2024 £m	Group 2023 £m
Other operating expenses include:		
Operating lease charges:		
Land and buildings	8.4	7.9
Other	0.1	0.2

At 31 July 2024, the Group has total commitments under non-cancellable operating leases of £7.7m (2023: £7.4m) not later than one year, £20.2m (2023: £19.7m) later than one year and not later than five years, and £8.8m (2023: £6.8m) later than five years.

	Group 2024 £000	Group 2023 £000
Other operating expenses include:		
Auditors' remuneration:		
Audit fees payable to the Group's external auditors	2,035	1,953
Other fees payable to the Group's external auditors - other assurance services	66	57
Audit fees payable to other firms (in respect of certain Trusts and subsidiary undertakings)	290	245
Payments to trustees		
Reimbursement of expenses to four external members of Council (2023: three)	6	2
There were no other payments made to trustees for their services to the University.		
Payments to former Vice-Chancellors		
Payments for consulting services to Interim Vice-Chancellor in office during 2022-23 financial year	29	-

16. Access and Participation expenditure

The spend incurred directly by the University in respect of access and widening participation activities for the financial year ended 31 July 2024 is outlined below.

	Group 2024 £m	Group 2023 £m
Access investment	2.5	2.1
Financial support for students	4.3	5.7
Support for disabled students	2.8	1.3
Research and evaluation	0.1	0.1
	9.7	9.2

Included within the above spend are staff costs amounting to £3.6m (2023: £2.9m) which are included within the staff note disclosures in Note 14.

The above spend reflects the investment made by the Academic University only and does not reflect any additional spend undertaken by the individual Colleges on these activities. The Colleges are not consolidated as part of the University's financial statements (see Note 1). However, due to the collegiate nature of the University, the access and participation plans provided to the OfS annually include activities undertaken by both the University and the Colleges. The combined University and Colleges access and participation plans, which do not form part of the audited financial statements, can be found at: <https://www.undergraduate.study.cam.ac.uk/access-and-participation-plans>.

Finally, financial support is also provided to students from around the world through associated Trusts of the University: the Commonwealth European and International Trust and the Gates Trust. This activity is not reflected in the above table.

*Notes to the financial statements for the year ended 31 July 2024 (continued)***17. Interest and other finance costs / (income)**

	Group 2024 £m	Group 2023 £m	University 2024 £m	University 2023 £m
Interest payable charge/(credit) and other finance costs on bond liabilities	8.1	(64.3)	8.1	(64.3)
Interest on pension liabilities (see Note 30)	11.8	26.4	11.5	25.8
Interest paid on other retirement benefit liabilities (see Note 31)	0.7	0.6	0.7	0.6
Finance (credit)/charge associated with the revaluation of forward exchange contracts	(0.3)	0.5	(0.3)	0.9
	20.3	(36.8)	20.0	(37.0)

The University is exposed to certain foreign currency transactions as part of its normal course of activities. The University enters into forward exchange contracts in order to provide greater certainty over the settlement exchange rates. To the extent that these contracts are unsettled at the balance sheet date they are revalued at that date with the resultant charge or credit being recognised through finance costs.

Interest payable and other finance costs on bond liabilities is analysed as follows:

	Group 2024 £m	Group 2023 £m	University 2024 £m	University 2023 £m
Coupon payments:				
Bond liabilities – unsecured 2052 (fixed interest)	13.3	13.2	13.3	13.2
Bond liabilities – unsecured 2078 (fixed interest)	7.1	7.1	7.1	7.1
Bond liabilities – unsecured 2068 (index-linked, amortising from 2028)	0.9	0.8	0.9	0.8
Bond liabilities - unsecured 2068 (index-linked, amortising from 2028) - fair value adjustment	(13.2)	(85.4)	(13.2)	(85.4)
	8.1	(64.3)	8.1	(64.3)

Included within the 2068 index-linked bond liabilities interest and finance costs is the adjustment to revalue the liabilities to their fair value at the balance sheet date. The credit recognised as a result of this revaluation is £13.2m (2023: credit of £85.4m).

For further details on these bond liabilities see Note 29.

18. Taxation

	Group 2024 £m	Group 2023 £m	University 2024 £m	University 2023 £m
UK Corporation Tax	-	-	-	-
Foreign taxes	6.4	5.6	2.2	2.0
	6.4	5.6	2.2	2.0

The foreign taxes for the Group and University primarily relate to overseas activities associated with publishing and assessment activities. The Group operates in a variety of overseas jurisdictions with activities for which profits are subject to local taxes. The associated risks in operating internationally are managed within the University's tax departments. The Group has made payments on account totalling £8.9m (2023: £8.9m) in relation to an ongoing tax audit. These amounts are reflected in other debtors, as it is expected that the audits will conclude in the Group's favour.

Due to the exempt charity status of the University, the tax charge for UK Corporation Tax is typically nil. In addition, the University has £12.1m (2023: £12.1m) of unused Research Development Expenditure Credit (RDEC) brought forward from prior periods. This has not been recognised as an asset due to the lack of certainty that future taxable surpluses will be available against which to offset these credits.

Notes to the financial statements for the year ended 31 July 2024 (continued)

19. Segment information

The Group's reportable segments are:

Academic University	Teaching and research undertaken by the University.
Cambridge University Press & Assessment	Publishing, examination and assessment services, carried out by the Press & Assessment department of the University and its subsidiary undertakings.
Cambridge University Endowment Fund (CUEF)	The investment fund managed by the Group and holding the majority of the Group's investments together with some investments of Colleges and other associated bodies (see Note 12)
Trusts and other	The combination of smaller entities including the associated trusts and subsidiary companies not included in the other segments.

The reportable segments are determined based on the governance, management and internal reporting structures, which combine entities and operations with common characteristics.

The Council monitors the results of operating segments separately for the purposes of assessing performance and making decisions about the allocation of resources. Segment performance is evaluated based on reported surplus. CUEF reports for financial years ending 30 June and focuses on total return as the measure of income and surplus. The segment information presented below uses the same measures as reported by each segment, adjusted for CUEF to the financial year ended 31 July.

	Academic University £m	Press & Assessment £m	CUEF £m	Trusts and other £m	Eliminations and adjustments £m	Group £m
Year ended 31 July 2024						
Total income						
External	1,470.3	1,042.5	31.0	84.5	2.4	2,630.7
Intersegment	225.7	4.9	-	85.0	(315.6)	-
Total	1,696.0	1,047.4	31.0	169.5	(313.2)	2,630.7
Surplus/(deficit) for the year	539.7	235.8	302.4	24.3	(376.1)	726.1
Included in surplus/(deficit) for the year:						
Investment income	148.0	15.5	31.0	26.9	(147.3)	74.1
Depreciation and amortisation	97.3	53.8	-	0.5	-	151.6
Interest (receivable)/payable	17.9	2.3	-	0.2	(0.1)	20.3
Gain/(Loss) on disposal of fixed assets	(0.8)	0.1	-	-	-	(0.7)
Gain/(Loss) on other investments and investment property	151.2	26.5	312.4	11.7	(155.4)	346.4
Additions to intangible assets, fixed assets, heritage assets and investment property	121.3	54.0	-	4.2	(0.7)	178.8
Assets	7,620.7	1,461.4	4,364.7	697.4	(4,109.1)	10,035.1
Liabilities	(1,332.8)	(316.1)	(78.8)	(127.9)	(188.5)	(2,044.1)
Net assets	6,287.9	1,145.3	4,285.9	569.5	(4,297.6)	7,991.0

*Notes to the financial statements for the year ended 31 July 2024 (continued)**19. Segment information (continued)*

	Academic University £m	Press & Assessment £m	CUEF £m	Trusts and other £m	Eliminations and adjustments £m	Group £m
Year ended 31 July 2023						
Total income						
External	1,401.9	1,010.5	20.6	84.9	0.4	2,518.3
Intersegment	186.6	4.4	-	86.9	(277.9)	-
Total	1,588.5	1,014.9	20.6	171.8	(277.5)	2,518.3
Surplus/(deficit) for the year	142.1	143.2	86.1	(49.4)	(123.1)	198.9
Included in surplus/(deficit) for the year:						
Investment income	133.0	8.0	20.6	22.1	(134.0)	49.7
Depreciation and amortisation	82.7	52.9	-	0.8	-	136.4
Interest (receivable)/payable	(41.0)	4.2	-	0.1	(0.1)	(36.8)
Gain / (loss) on disposal of fixed assets	-	-	-	-	-	-
(Loss)/gain on investments	(109.5)	5.8	91.9	(32.2)	47.9	3.9
Additions to intangible assets, fixed assets, heritage assets and investment property	138.3	55.4	-	3.3	-	197.0
Assets	7,490.5	1,318.4	4,129.4	698.0	(4,017.5)	9,618.8
Liabilities	(1,827.2)	(357.2)	(42.2)	(142.2)	(82.3)	(2,451.1)
Net assets	5,663.3	961.2	4,087.2	555.8	(4,099.8)	7,167.7

Eliminations and adjustments

The following eliminations and adjustments reconcile the totals of segment measures to the consolidated measures reported in these financial statements.

	2024 £m	2023 £m
Total income		
Elimination of intersegment income	(315.6)	(277.9)
Other adjustments	2.4	0.4
Total eliminations and adjustments	(313.2)	(277.5)
Surplus for the year		
Eliminate CUEF surplus recognised in other segments or attributable to external investors	(302.4)	(86.1)
Eliminate transfers from other segments to Academic University based on surpluses	(67.3)	(43.8)
Elimination of intersegment funding commitments	2.0	1.8
Eliminate intersegment surplus on transfer of fixed assets	(0.9)	-
Eliminate other intersegment balances	(7.5)	5.0
Total eliminations and adjustments	(376.1)	(123.1)

Assets and liabilities

	Assets 2024 £m	Liabilities 2024 £m	Net assets 2024 £m	Net assets 2023 £m
Eliminate CUEF assets recognised in other segments or attributable to external investors	(3,906.7)	(379.2)	(4,285.9)	(4,087.2)
Eliminate accrual for intersegment funding commitments	-	27.5	27.5	25.6
Eliminate intersegment surplus on transfers of fixed assets	(39.0)	-	(39.0)	(39.1)
Eliminate investments in subsidiaries	(6.8)	6.8	-	-
Eliminate intersegment balances	(156.6)	156.4	(0.2)	0.9
Total eliminations and adjustments	(4,109.1)	(188.5)	(4,297.6)	(4,099.8)

Notes to the financial statements for the year ended 31 July 2024 (continued)

20. Intangible assets and goodwill

Group	Software £m	Goodwill £m	Others £m	2024 Total £m	2023 Total £m
Cost					
At 1 August	352.1	37.5	25.4	415.0	365.2
Additions	48.1	-	2.4	50.5	52.0
Disposals	(8.8)	-	-	(8.8)	(1.2)
Currency adjustments	(0.7)	(0.1)	0.1	(0.7)	(1.0)
At 31 July	390.7	37.4	27.9	456.0	415.0
Accumulated amortisation					
At 1 August	246.3	32.1	16.8	295.2	259.8
Charge for the year	33.5	2.1	1.1	36.7	37.2
Disposals	(8.8)	-	-	(8.8)	(1.2)
Currency adjustments	(0.5)	-	(0.1)	(0.6)	(0.6)
At 31 July	270.5	34.2	17.8	322.5	295.2
Net book value					
At 31 July	120.2	3.2	10.1	133.5	119.8
At 1 August	105.8	5.4	8.6	119.8	105.4
University					
Cost					
At 1 August	332.2	13.2	22.7	368.1	320.5
Additions	46.1	-	-	46.1	47.4
Disposals	(7.8)	-	-	(7.8)	-
Currency adjustments	(0.2)	-	-	(0.2)	0.2
At 31 July	370.3	13.2	22.7	406.2	368.1
Accumulated amortisation					
At 1 August	230.8	7.6	19.3	257.7	227.3
Charge for the year	30.8	2.1	0.8	33.7	30.4
Disposals	(7.8)	-	-	(7.8)	-
Currency adjustments	(0.2)	0.1	(0.1)	(0.2)	-
At 31 July	253.6	9.8	20.0	283.4	257.7
Net book value					
At 31 July	116.7	3.4	2.7	122.8	110.4
At 1 August	101.4	5.6	3.4	110.4	93.2

Notes to the financial statements for the year ended 31 July 2024 (continued)

21. Tangible assets

Group	Land £m	Non- Leasehold Buildings £m	Leasehold Buildings £m	Assets in construction £m	Equipment £m	2024 Total £m	2023 Total £m
Cost							
At 1 August	372.4	2,031.1	419.0	368.4	519.1	3,710.0	3,611.5
Additions	-	5.2	2.1	44.9	58.9	111.1	113.9
Transfers	-	372.9	0.6	(375.0)	1.5	-	-
Disposals	(0.7)	(1.1)	(1.1)	-	(11.2)	(14.1)	(14.8)
Currency adjustments	-	-	-	-	(0.6)	(0.6)	(0.6)
At 31 July	371.7	2,408.1	420.6	38.3	567.7	3,806.4	3,710.0
Accumulated depreciation							
At 1 August	-	435.6	73.6	-	437.4	946.6	862.2
Charge for the year	-	60.9	11.8	-	42.2	114.9	99.2
Disposals	-	(1.0)	(1.1)	-	(11.1)	(13.2)	(14.7)
Currency adjustments	-	-	(0.1)	-	(0.5)	(0.6)	(0.1)
At 31 July	-	495.5	84.2	-	468.0	1,047.7	946.6
Net book value							
At 31 July	371.7	1,912.6	336.4	38.3	99.7	2,758.7	2,763.4
At 1 August	372.4	1,595.5	345.4	368.4	81.7	2,763.4	2,749.3

The net book value of leasehold land included in the above table is £30.2m (2023: £30.8m).

University	Land £m	Non- Leasehold Buildings £m	Leasehold Buildings £m	Assets in construction £m	Equipment £m	2024 Total £m	2023 Total £m
Cost							
At 1 August	372.4	2,033.4	409.3	370.7	505.0	3,690.8	3,596.5
Additions	-	1.6	-	45.5	56.7	103.8	109.1
Transfers	-	372.7	0.7	(374.1)	0.7	-	-
Disposals	(0.7)	(1.2)	-	-	(8.5)	(10.4)	(14.5)
Currency adjustments	-	-	-	-	(0.1)	(0.1)	(0.3)
At 31 July	371.7	2,406.5	410.0	42.1	553.8	3,784.1	3,690.8
Accumulated depreciation							
At 1 August	-	435.7	69.2	-	426.1	931.0	848.5
Charge for the year	-	61.1	10.9	-	40.6	112.6	97.2
Disposals	-	(1.0)	-	-	(8.4)	(9.4)	(14.4)
Currency adjustments	-	-	-	-	(0.1)	(0.1)	(0.3)
At 31 July	-	495.8	80.1	-	458.2	1,034.1	931.0
Net book value							
At 31 July	371.7	1,910.7	329.9	42.1	95.6	2,750.0	2,759.8
At 1 August	372.4	1,597.7	340.1	370.7	78.9	2,759.8	2,748.0

The net book value of leasehold land included in the above table is £30.2m (2023: £30.8m).

*Notes to the financial statements for the year ended 31 July 2024 (continued)***22. Heritage assets**

	Group 2024 £m	Group 2023 £m	University 2024 £m	University 2023 £m
Opening balance	101.8	82.2	101.7	82.1
Additions in the year	7.2	19.6	7.3	19.6
Closing balance at 31 July	109.0	101.8	109.0	101.7

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 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 significant accounting policies (see Note 4), heritage assets acquired since 1 August 1999 have been capitalised. 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 capitalised. As a result, the total included in the balance sheet is partial.

Additions for the current and previous four years were as follows:

	2024 £m	2023 £m	2022 £m	2021 £m	2020 £m
Value of acquisitions by donation	6.5	19.1	4.8	3.7	1.6
Total acquired by, or funded by, donations	6.5	19.1	4.8	3.7	1.6
Acquisitions purchased with University funds	0.7	0.5	-	0.1	-
Total acquisitions capitalised	7.2	19.6	4.8	3.8	1.6

Notes to the financial statements for the year ended 31 July 2024 (continued)

23. Non-current asset investments

(a) Other investments

	Group 2024 £m	Group 2023 £m	University 2024 £m	University 2023 £m
Opening balance	4,364.1	4,215.0	3,727.7	3,541.2
Additions in the year	167.6	162.4	167.4	157.5
Disposals in the year	(17.7)	(10.7)	(14.7)	(5.3)
Transfers (to)/from cash and cash equivalents	(77.5)	(62.3)	(52.3)	(32.3)
Share of operating surplus / (deficit) in joint ventures and associates	-	0.1	-	(2.5)
Gains on investments	341.5	69.0	300.2	78.1
Impairment of investments	-	(8.9)	-	(8.9)
Currency adjustments	-	(0.5)	-	(0.1)
Closing balance at 31 July	4,778.0	4,364.1	4,128.3	3,727.7
Represented by:				
CUEF units	3,985.5	3,778.1	3,340.1	3,153.4
Cambridge multi-asset fund (CMAF)	607.4	406.8	607.4	406.8
Securities	34.3	31.3	23.5	20.7
Spin-out and similar companies (see Note 37)	103.4	97.4	74.8	62.0
Investments in associates – held as part of an investment portfolio (see Note 37)	40.6	42.9	40.6	42.9
Investments in subsidiary undertakings	-	-	41.0	41.0
Investments in joint ventures	6.8	7.5	-	-
Other	-	0.1	0.9	0.9
	4,778.0	4,364.1	4,128.3	3,727.7

CUEF units of £3,985.5m (2023: £3,778.1m) include certain investment properties owned by Special Purpose Vehicles (SPVs). The SPVs have been assessed as being controlled by the CUEF (and in turn, the University), and remain consolidated within the Group and University Non-current asset investments. The investment properties are valued at £204.2m at 31 July 2024 (2023: £140.9m). The SPVs have also recognised secured loans of £77.3m (2023: £40.4m) against the properties. The value of the investment properties are included within the CUEF units value noted above. Further details on other investment assets of the CUEF are provided in other tables in Note 23.

Gains / (losses) on other investments

Gains / (losses) on investments included the following:

	Group 2024 £m	Group 2023 £m	University 2024 £m	University 2023 £m
Gains on CUEF investments	285.0	83.8	237.4	70.5
Gains on CMAF investments	50.5	12.1	50.5	12.1
Gains on Securities	3.7	-	3.0	0.1
Gains/(losses) on spin-out and similar companies	0.4	(23.3)	7.4	(1.0)
Gains/(losses) on Investments in associates – held as part of an investment portfolio	1.9	(3.6)	1.9	(3.6)
Gains on non-current investments	341.5	69.0	300.2	78.1
Gains/(losses) on current asset investments	7.3	(2.6)	7.2	(2.5)
Gains on other investments	348.8	66.4	307.4	75.6

Notes to the financial statements for the year ended 31 July 2024 (continued)

23. Non-current asset investments (continued)

(a) Other investments (continued)

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 2024 £m	Group 2023 £m	University 2024 £m	University 2023 £m
Non-current asset investments, comprising	3,985.5	3,778.1	3,340.1	3,153.4
Investment assets	3,684.4	3,613.4	3,039.0	2,988.7
Cash and cash equivalents	301.1	164.7	301.1	164.7
Current asset investments (see Note 26) – balances held on behalf of:	379.2	351.3	1,024.6	976.0
Subsidiary undertakings	–	–	645.4	624.7
Colleges	365.1	337.9	365.1	337.9
Other associated bodies	14.1	13.4	14.1	13.4
Derivative financial instrument liabilities (Note 28)	(1.5)	(1.8)	(1.5)	(1.8)
Secured borrowings (Note 29)	(77.3)	(40.4)	(77.3)	(40.4)
Total value of units	4,285.9	4,087.2	4,285.9	4,087.2

At 30 June 2024, the directly held property portfolio of the CUEF included in investment assets is valued by external valuers in accordance with the standards of the Royal Institute of Chartered Surveyors, with an assessment then performed to update the value to 31 July 2024, where appropriate.

Cash and cash equivalents held within the CUEF are treated as Non-current asset investments as they are generally considered to be part of the CUEF asset allocation and are not held for the purpose of meeting short-term cash commitments.

The movements in the CUEF net asset value, split between the Group and other investors (Colleges of the University and other Associated Bodies), are as follows:

	Group 2024 £m	Other investors 2024 £m	Total 2024 £m	Group 2023 £m	Other investors 2023 £m	Total 2023 £m
Opening balance	3,735.9	351.3	4,087.2	3,672.9	327.6	4,000.5
Additions in the year*	59.4	19.5	78.9	148.8	28.8	177.6
Disposals in the year*	(12.8)	(3.6)	(16.4)	(26.1)	(0.1)	(26.2)
Gains on investments	285.0	27.4	312.4	83.8	7.8	91.6
Income from investments	28.3	2.7	31.0	18.8	1.8	20.6
Operating expenditure	(37.4)	(3.6)	(41.0)	(24.1)	(2.3)	(26.4)
Distribution to investors*	(151.7)	(14.5)	(166.2)	(138.2)	(12.3)	(150.5)
Closing balance at 31 July	3,906.7	379.2	4,285.9	3,735.9	351.3	4,087.2

* Additions, disposals and distributions relating to the Group are internal cash flows eliminated on consolidation and are treated as Transfers (to)/from cash and cash equivalents in the table in Note 23(a) on page 348.

Notes to the financial statements for the year ended 31 July 2024 (continued)

23. Non-current asset investments (continued)

(a) Other investments (continued)

Further detail on the asset allocations held by the CUEF are outlined below:

	Group		Group	
	31 July 2024		31 July 2023	
	£m	%	£m	%
Public equity	1,722.7	40.2%	1,640.7	40.1%
Private equity	1,007.3	23.5%	955.5	23.4%
Absolute return and credit	939.6	21.9%	898.2	22.0%
Real assets	337.7	7.9%	310.7	7.6%
Fixed interest, cash and other	278.6	6.5%	282.1	6.9%
Total value of fund	4,285.9	100.0%	4,087.2	100.0%

Public equity includes all equity stocks traded on a liquid market, together with related non-publicly traded index funds and derivatives.

Private equity 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 include both unlisted equities and corporate credits (such as bonds, loans, and other claims). Absolute return includes investments in trading strategies, which are, in some degree, independent of overall equity market movements. Funds where different equities are simultaneously held (long) and sold (short) are included in this category.

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

Real assets includes investments which are expected, in some degree, to increase in nominal value to match inflation. This category includes commercial property and securities which reflect the level of commodity values.

The value of the SPVs referred to on page 348, including the investment properties and secured loans, are included within this category. 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 CUEF asset allocation categories align with those reported to investors in quarterly and annual performance and asset allocation reporting. As a result they do not directly cross-reference to the fair value Level 1–3 investment asset categorisation provided in Note 41.

(b) Investment property

	Group	Group	University	University
	2024	2023	2024	2023
	£m	£m	£m	£m
Opening balance	509.0	562.2	509.0	562.2
Additions in the year	10.0	11.5	10.0	11.5
Disposals in the year	(39.5)	(2.4)	(39.5)	(2.4)
Transfers from other balance sheet accounts	–	0.2	–	0.2
Net loss from fair value adjustments	(2.4)	(62.5)	(2.4)	(62.5)
Closing balance	477.1	509.0	477.1	509.0
Represented by:				
North West Cambridge development	249.2	276.1	249.2	276.1
Other investment property	227.9	232.9	227.9	232.9
	477.1	509.0	477.1	509.0

Phase 1 of the North West Cambridge (NWC) development is complete and includes accommodation for University staff and students, infrastructure and community facilities. The NWC development, including land for Phases 2 and 3, has been valued as at 31 July 2024 by an external valuer, Gerald Eve LLP, a regulated firm of Chartered Surveyors. The valuation was prepared in accordance with the RICS valuation – Global Standards (January 2022 edition) and the national standards and guidance set out in the UK national supplement (November 2018 edition) (collectively 'the Standards') published by the Royal Institution of Chartered Surveyors (RICS), and FRS 102. The valuation was undertaken on a fair value basis. The result is a revaluation gain in the carrying value of the investment of £6.0m (2023: £78.7m loss). The loss was substantially attributable to changes in key worker housing ratios offset by lower estimated future development funding costs.

Other investment property is revalued annually by independent external valuers. The annual valuation of these properties has resulted in a loss on investment of £8.4m (2023: £16.2m revaluation gain).

Disposals of £39.5m in the current year includes a £38.5m disposal of land to third party developers at the NWC development.

*Notes to the financial statements for the year ended 31 July 2024 (continued)***24. Stock and work in progress**

	Group 2024 £m	Group 2023 £m	University 2024 £m	University 2023 £m
Goods for resale	22.8	27.6	18.9	22.4
Pre-publication costs and other work in progress	21.2	24.4	20.0	22.9
Other stock	1.7	1.5	1.6	1.5
	45.7	53.5	40.5	46.8

There is no significant difference between the replacement cost of inventory and its carrying amount. Inventories are stated after a provision for impairment of £8.3m (2023: £7.8m).

25. Trade and other receivables

	Group 2024 £m	Group 2023 £m	University 2024 £m	University 2023 £m
Amounts due within one year:				
Research grants recoverable	131.0	133.4	132.1	134.5
Amounts due from group undertakings	-	-	125.6	101.5
Trade debtors	173.7	148.2	146.4	120.7
Other debtors	201.8	196.4	180.2	173.0
	506.5	478.0	584.3	529.7

Research grants recoverable include billed and unbilled amounts recoverable from research funders and are disclosed separately from trade debtors due to materiality. The majority of non-research trade and other receivables relates to examination, assessment and publishing services. Debtors relating to examination, assessment and publishing services are included within the Group amounting to £254.6m (2023: £238.4m) and within the University amounting to £224.9m (2023: £204.4m). Trade and other receivables are stated after a provision for impairment of £40.5m (2023: £39.4m).

26. Current asset investments

	Group 2024 £m	Group 2023 £m	University 2024 £m	University 2023 £m
CUEF units held on behalf of other entities (see Note 23)	379.2	351.3	1,024.6	976.0
Money market investments (see Note 42)	191.0	345.5	191.0	345.5
Other current asset investments	148.1	133.1	147.8	133.1
	718.3	829.9	1,363.4	1,454.6

Other current asset investments comprise diversified investment funds and direct investments in UK government gilts. Refer to Note 40 for further details.

27. Cash and cash equivalents

	Group 2024 £m	Group 2023 £m	University 2024 £m	University 2023 £m
Money market investments with maturity less than three months	202.9	126.5	202.9	126.5
Cash at bank and in hand and with investment managers	276.5	272.8	170.5	161.0
	479.4	399.3	373.4	287.5

Cash and cash equivalents disclosed in this note excludes cash held within the CUEF, which is disclosed in Note 23. The movement in net debt is disclosed in Note 42.

*Notes to the financial statements for the year ended 31 July 2024 (continued)***28. Creditors: amounts falling due within one year**

	Group 2024 £m	Group 2023 £m	University 2024 £m	University 2023 £m
Finance leases (see Note 42)	0.1	0.1	0.1	0.1
Research grants received in advance	242.2	271.0	237.5	271.0
Other creditors and deferred income	448.8	469.6	351.5	350.6
Amounts due to group undertakings	-	-	82.4	64.2
Derivative financial instruments liabilities	2.1	2.8	2.1	2.8
Investments and cash equivalents held on behalf of subsidiary undertakings	-	-	729.9	704.4
Investments and cash equivalents held on behalf of Colleges and other associated bodies	383.4	355.4	383.4	355.4
	1,076.6	1,098.9	1,786.9	1,748.5

Deferred income of £114.3m (2023: £116.3m) is included above for the Group and £92.0m (2023: £88.7m) for the University as at 31 July 2024. Derivative financial instruments liabilities held within the CUEF of £1.5m (2023: £1.8m) is included above for the Group and £1.5m (2023: £1.8m) for the University as at 31 July 2024.

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

	Group 2024 £m	Group 2023 £m	University 2024 £m	University 2023 £m
Bond liabilities - unsecured 2052 (fixed interest)	343.4	343.2	343.4	343.2
Bond liabilities - unsecured 2078 (fixed interest)	297.9	297.9	297.9	297.9
Bond liabilities - unsecured 2068 (index-linked, amortising from 2028)	183.2	196.3	183.2	196.3
Secured CUEF borrowings	77.3	40.4	77.3	40.4
Finance leases	0.8	1.0	0.8	1.0
Accruals and deferred income	37.6	31.0	8.1	5.3
	940.2	909.8	910.7	884.1

On 17 October 2012, the University issued £350m of 3.75% unsecured bonds due October 2052. 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% p.a. is payable on 17 April and 17 October each year and commenced on 17 April 2013. In addition, on 27 June 2018, the University issued £300m of 2.35% unsecured bonds due June 2078. The bonds were issued at 99.552% of their principal amount. The proceeds of issue, less directly attributable transaction costs, amounted to £297.8m. Interest at 2.35% p.a. is payable on 27 June and 27 December each year and commenced on 27 December 2018.

The bonds will be redeemed at their principal amounts of £350m and £300m on 17 October 2052 and 27 June 2078 respectively. 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 amortised cost using the effective interest rate method. Under this method, the discount at which the Bonds were issued and the transaction costs are accounted for as additional interest expense over the term of the bonds.

Also on 27 June 2018, the University issued £300m of index-linked bonds (the 'Indexed bonds') due June 2068. The Indexed bonds were issued at 98.893% of their principal amount. Interest is payable annually in arrears on 27 June each year and commenced on 27 June 2019. The interest charged is calculated as the product of 0.25% p.a. and the Limited Index Ratio. The Indexed bonds will be redeemed in accordance with the Amortisation Schedule multiplied by the Limited Index Ratio or may be redeemed earlier at the option of the University. The Indexed bonds are accounted for as complex financial instruments and were initially recognised at fair value at the transaction date, which was deemed to be the face value of the bonds (net of discount) of £296.7m. Transaction costs were immediately expensed on initial recognition of the bonds. Subsequently, the bonds are remeasured to their fair value at each consecutive reporting date with any increase or decrease in liability recognised through finance costs in the statement of comprehensive income. As at 31 July 2024, the Indexed bonds were revalued downwards to £183.2m (2023: £196.3m) based on an average price of two independent valuations, benchmarked to the Bloomberg Generic Price (BGN), decreasing the liability and resulting in a fair value adjustment credit through finance costs of £13.2m (2023: credit of £85.4m).

All the bonds referred to above are listed on the London Stock Exchange.

Notes to the financial statements for the year ended 31 July 2024 (continued)*29. Creditors: amounts falling due after more than one year (continued)*

The secured CUEF borrowings are held in the Investment property Special Purpose Vehicles (SPVs) described in Note 23(a). The loans comprise the following:

- £40.4m carries interest at a fixed rate of 2.98%, being the seven-year UK Government Gilt rate at inception of 1.48%, plus 1.5%. Interest is paid quarterly in arrears on 30 January, 30 April, 30 July and 30 October. The capital is repayable on 30 April 2029.
- £19.5m carries interest at a floating rate equal to the Sterling Overnight Index Average Interest rate benchmark (SONIA) plus a margin of 1.95%. Interest is paid quarterly in arrears on 15 January, 15 April, 15 July and 15 October. The capital is repayable on 5 January 2029.
- £17.4m carries interest at a floating rate equal to SONIA plus a margin of 3.00%. Interest is paid quarterly in arrears on 20 January, 20 April, 20 July and 20 October. The capital is repayable on 12 April 2028.

The movement in net debt is disclosed in Note 42.

30. Pension (assets)/liabilities

Group	The Press & Assessment		The Press & Assessment		The Press & Assessment		Defined benefit total	USS deficit recovery	Other	Total 2024	Total 2023
	CPS	PCPF	PSSPS	DBP	total	total					
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Opening balance	62.6	(2.1)	18.9	(2.3)	77.1	348.9	1.5	427.5		790.9	
Movement in year:											
Current service cost	18.2	0.5	-	-	18.7	-	8.7	27.4		33.6	
Past service cost	-	-	-	-	-	-	-	-		-	
Contributions	(17.8)	(0.5)	(2.6)	-	(20.9)	-	(8.5)	(29.4)		(39.9)	
Administration expenses	1.3	-	-	0.1	1.4	-	-	1.4		1.4	
Net interest on liability	3.2	(0.1)	0.9	(0.1)	3.9	7.8	0.1	11.8		26.4	
Currency adjustments	-	-	-	-	-	-	0.1	0.1		0.2	
Net change in underlying assumptions (see Note 14):											
- change in underlying assumptions	-	-	-	-	-	(344.3)	-	(344.3)		(75.2)	
- USS deficit contributions payable	-	-	-	-	-	(12.4)	-	(12.4)		(27.8)	
	-	-	-	-	-	(356.7)	-	(356.7)		(103.0)	
Actuarial gain	(85.3)	(6.2)	(5.2)	(0.4)	(97.1)	-	-	(97.1)		(282.1)	
Closing balance at 31 July	(17.8)	(8.4)	12.0	(2.7)	(16.9)	-	1.9	(15.0)		427.5	
University											
Opening balance	62.6	(2.1)	18.9	(2.3)	77.1	334.4	-	411.5		776.3	
Movement in year:											
Current service cost	18.2	0.5	-	-	18.7	-	8.3	27.0		33.4	
Past service cost	-	-	-	-	-	-	-	-		-	
Contributions	(17.8)	(0.5)	(2.6)	-	(20.9)	-	(8.3)	(29.2)		(39.8)	
Administration expenses	1.3	-	-	0.1	1.4	-	-	1.4		1.4	
Net interest on liability	3.2	(0.1)	0.9	(0.1)	3.9	7.6	-	11.5		25.8	
Currency adjustments	-	-	-	-	-	-	-	-		0.4	
Net change in underlying assumptions (see Note 14):											
- change in underlying assumptions	-	-	-	-	-	(330.1)	-	(330.1)		(76.6)	
- USS deficit contributions payable	-	-	-	-	-	(11.9)	-	(11.9)		(26.7)	
	-	-	-	-	-	(342.0)	-	(342.0)		(103.3)	
Actuarial gain	(85.3)	(6.2)	(5.2)	(0.4)	(97.1)	-	-	(97.1)		(282.7)	
Closing balance at 31 July	(17.8)	(8.4)	12.0	(2.7)	(16.9)	-	-	(16.9)		411.5	

Notes to the financial statements for the year ended 31 July 2024 (continued)**30. Pension (assets)/liabilities (continued)**

In the current year, the net surpluses of the CPS, PCPF and DBP schemes are disclosed in non-current assets, and the net liabilities of the PSSPS and other schemes disclosed in long-term liabilities, in the statement of financial position on page 321. Prior year comparatives have not been restated due to immateriality; therefore the total net liability of all schemes combined is disclosed in long-term liabilities.

The net (assets)/liabilities in respect of the Cambridge University Assistants' Contributory Pension Scheme (CPS) and the Press defined benefit schemes represent the present value of the schemes' obligations to provide future benefits in relation to past service, less the assets of the schemes. For the CPS scheme, the asset recognised is adjusted by £8.7m for changes in the effect of the asset ceiling. For additional information, please refer to Note 36.

An obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arose from the contractual obligation with the USS to fund deficit payments in accordance with a deficit recovery plan. The requirement to make deficit recovery contributions ceased on 1 January 2024, and as a result, the provision is no longer required. Further information is provided in Note 36.

The deficit recovery provision, based on the 2023 actuarial valuation of USS, has decreased from £348.9m to £nil. The movements described as a 'net change in underlying assumptions' are included in staff costs (see Note 14). The interest on liability, representing the unwinding of the discount factor impact, is included in Note 17.

The Group also has a smaller number of staff in other pension schemes, including the Local Government Pension Scheme (LGPS) supporting staff in the University primary school, and the National Health Service Pension Scheme (NHSPS).

Please refer to Note 36 for actuarial assumptions and sensitivity analysis.

31. Other retirement benefits liabilities

Group and University	2024 £m	2023 £m
Opening balance	14.9	19.7
Movement attributable to the year:		
Current service cost less benefits paid	0.1	0.1
Contributions	(0.9)	(0.9)
Finance costs	0.7	0.6
Currency adjustments	0.1	(0.3)
Actuarial gain	(1.5)	(4.3)
Closing balance at 31 July	13.4	14.9

These liabilities arise in relation to unfunded post-retirement medical and insurance schemes.

Notes to the financial statements for the year ended 31 July 2024 (continued)

32. Income and expenditure reserve – endowment

Group	Permanent £m	Expendable £m	2024 Total £m	2023 Total £m
Balance at 1 August	1,783.8	685.3	2,469.1	2,476.9
New endowments received	28.9	9.4	38.3	10.1
Transfers to restricted and unrestricted reserves	3.1	8.7	11.8	5.4
Investment expense	(0.7)	(0.2)	(0.9)	(1.7)
Expenditure	(58.6)	(22.8)	(81.4)	(72.9)
Valuation gains on investments	134.9	50.3	185.2	51.3
Balance at 31 July	1,891.4	730.7	2,622.1	2,469.1
Capital	1,598.7	632.9	2,231.6	2,119.1
Unspent income	292.7	97.8	390.5	350.0
Balance at 31 July	1,891.4	730.7	2,622.1	2,469.1
Representing:				
Trust and Special Funds:				
Professorships, Readerships, and Lectureships	922.1	98.9	1,021.0	967.7
Scholarships and bursaries	287.1	370.3	657.4	631.0
Other	631.2	261.2	892.4	824.7
Gates Cambridge Trust	-	0.3	0.3	0.3
General endowments	51.0	-	51.0	45.4
Group total	1,891.4	730.7	2,622.1	2,469.1
University				
Balance at 1 August	1,770.0	349.1	2,119.1	2,123.0
New endowments received	28.8	9.4	38.2	10.1
Transfers to restricted and unrestricted reserves	2.7	8.7	11.4	5.4
Investment expense	(1.9)	0.2	(1.7)	(1.5)
Expenditure	(56.1)	(11.4)	(67.5)	(61.4)
Valuation gains on investments	134.6	24.9	159.5	43.5
Balance at 31 July	1,878.1	380.9	2,259.0	2,119.1
Capital	1,585.5	283.1	1,868.6	1,769.1
Unspent income	292.6	97.8	390.4	350.0
Balance at 31 July	1,878.1	380.9	2,259.0	2,119.1

Notes to the financial statements for the year ended 31 July 2024 (continued)

33. Income and expenditure reserve – restricted

	Unspent capital grants £m	Unspent research grants £m	Specific donations £m	Restricted reserves £m	2024 Total £m	2023 Total £m
Group						
Balance at 1 August	8.0	71.3	144.4	30.5	254.2	190.1
Donations and grants recognised in the year	39.3	42.0	80.4	-	161.7	142.3
Investment income	0.1	1.0	4.7	-	5.8	2.8
Expenditure	-	(44.1)	(59.2)	-	(103.3)	(49.9)
Capital grants spent	(28.3)	-	-	-	(28.3)	(32.5)
Valuation gains on investments	0.3	-	3.2	2.2	5.7	1.7
Transfers from unrestricted income	-	-	(2.3)	(2.0)	(4.3)	(0.3)
Balance at 31 July	19.4	70.2	171.2	30.7	291.5	254.2
University						
Balance at 1 August	7.9	71.0	144.0	30.9	253.8	189.5
Donations and grants recognised in the year	39.2	42.0	46.1	-	127.3	147.3
Investment income	0.1	1.0	4.7	-	5.8	2.7
Expenditure	-	(43.8)	(25.4)	-	(69.2)	(54.6)
Capital grants spent	(28.3)	-	-	-	(28.3)	(32.5)
Valuation gains on investments	0.3	-	3.2	2.2	5.7	1.7
Transfers from unrestricted income	-	-	(2.3)	(2.4)	(4.7)	(0.3)
Balance at 31 July	19.2	70.2	170.3	30.7	290.4	253.8

34. Non-controlling interests

Non-controlling interests represent the interests of minority shareholders in the total comprehensive income and net assets of subsidiary companies where the University holds less than 100% of the issued share capital (see Note 37). The movement in non-controlling interests in the statement of comprehensive income and unrestricted reserves of the Group were as follows:

	Group 2024 £m	Group 2023 £m
Opening balance at 1 August	6.0	6.8
Total comprehensive income attributable to non-controlling interests	1.4	4.5
Dividends paid to non-controlling interests	(0.3)	(4.3)
Exchange differences	(0.4)	(1.0)
Closing balance at 31 July	6.7	6.0

For the year ended 31 July 2024, the surplus for the year attributable to non-controlling interests was £1.4m (2023: £4.5m), the total comprehensive income attributable to non-controlling interests was £1.4m (2023: £4.5m) and the unrestricted reserves attributable to non-controlling interests was £6.7m (2023: £6.0m).

35. Capital commitments

	Group 2024 £m	Group 2023 £m
Commitments for capital expenditure:		
Commitments contracted at 31 July	63.3	37.0
Authorised but not contracted at 31 July	115.1	160.2
	178.4	197.2
Commitments for capital calls on investments	782.2	759.0

Commitments for capital expenditure will be funded from existing reserves. There are no performance-related conditions attached to these commitments. Refer to Note 15 for details of commitments relating to non-cancellable operating lease contracts.

*Notes to the financial statements for the year ended 31 July 2024 (continued)***36. 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). The USS and the CPS are not closed, nor is the age profile of their active membership rising significantly.

Cambridge University Press & Assessment operates two pension schemes for its UK staff, the Press Contributory Pension Fund (PCPF) and the Press Senior Staff Pension Scheme (PSSPS). The PCPF and the PSSPS have been closed to new members.

The assets of the schemes are held in separate trustee-administered funds. The schemes are defined benefit schemes, with the exception of USS, which is a hybrid pension scheme, and are each 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.

From 1 January 2013, the University has also operated an additional pension scheme for University staff, the Cambridge University Assistants' Defined Contribution Pension Scheme (CUADCPS), which is a defined contribution pension scheme. For reporting purposes, the contributions payable through the scheme are included in 'other' pension scheme costs in the statement of comprehensive income. This scheme does not form part of the liability disclosed under CPS in this Note.

Universities Superannuation Scheme (USS)

The University participates in the Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. 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 attributed to individual institutions and a scheme-wide contribution rate is set. The University is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by section 28 of FRS 102 'Employee Benefits' the University therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the statement of comprehensive income represents contributions payable to the scheme. Since the University has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund any overall deficit, the University recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to any deficit) and therefore an expense is recognised with related expenses being recognised through the statement of comprehensive income.

The total net credit to the statement of comprehensive income is £235.2m (2023: charge of £34.3m) – see page 362. Deficit recovery contributions due within one year for the institution are £nil (2023: £30.0m).

The latest available complete actuarial valuation of the Retirement Income Builder is as at 31 March 2023 (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 2023 valuation was the seventh 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 (the statutory funding objective). At the valuation date, the value of the assets of the scheme was £73.1 billion and the value of the scheme's technical provisions was £65.7 billion indicating a surplus of £7.4 billion and a funding ratio of 111%.

The key financial assumptions used in the 2023 valuation are described below. More detail is set out in the Statement of Funding Principles.

CPI	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less: 1.0% p.a. to 2030, reducing linearly by 0.1% p.a. from 2030
Pension increases (subject to a floor of 0%)	Benefits with no cap: CPI assumption plus 0.03% Benefits subject to a 'soft cap' of 5% (providing inflationary increases up to 5%, and half of any excess inflation over 5% up to a maximum of 10%): CPI assumption minus 0.03%
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.5% p.a. Post retirement: 0.9% p.a.

Notes to the financial statements for the year ended 31 July 2024 (continued)**36. Pension schemes (USS) (continued)**

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2023 actuarial valuation. The mortality assumptions used in these figures are as follows:

Mortality base table	101% of S2PMA 'light' for males and 95% of S3PFA for females
Future improvements to mortality	CMI 2021 with a smoothing parameter of 7.5, an initial addition of 0.4% p.a. and a long-term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females

The current life expectancies on retirement at age 65 are:

	2024	2023
Males currently aged 65 (years)	23.7	23.9
Females currently aged 65 (years)	25.6	25.5
Males currently aged 45 (years)	25.4	25.9
Females currently aged 45 (years)	27.2	27.3

A deficit recovery plan was put in place as part of the 2020 valuation, which required payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate would increase to 6.3%. As set out in Note 4, no deficit recovery plan was required under the 2023 valuation because the scheme was in surplus on a technical provisions basis. The Group was no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision to the income statement.

	2024	2023
Discount rate	Not applicable	5.49%
Pensionable salary growth	Not applicable	2.5–5.0%

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 the Finance Act 2004. The active members of the scheme are employees of the University and its subsidiary undertakings.

Triennial valuation of the scheme

A full triennial valuation of the scheme was carried out by the actuary for the trustees of the scheme as at 31 July 2021. The results of the valuation showed the actuarial value of the scheme's assets as £814m. These were sufficient to cover the scheme's past service liabilities of £738m; the scheme had a surplus of £76m and was 110% funded. The next triennial actuarial valuation is being undertaken as at 31 July 2024.

Since 1 August 2013, employer contributions were set at 11.5% of pensionable pay for existing members at 31 December 2012 and 5.8% of pensionable pay (together with contributions at 5.0% to a separate defined contribution arrangement) for new entrants from 1 January 2013. On 1 August 2023, employer contributions were adjusted to 14.1% of pensionable pay for existing members at 31 December 2012 and 7.6% of pensionable pay (together with contributions at 5% to a separate defined contribution arrangement) for new entrants from 1 January 2013.

In addition, fixed employer contributions totalling £14.6m p.a. were payable over the period from 1 August 2011 to 31 July 2023. It was agreed that there would be no additional contribution during the year from 1 August 2023 to 31 July 2024.

Notes to the financial statements for the year ended 31 July 2024 (continued)

36. Pension schemes (CPS) (continued)

CPS: Pension costs under FRS 102

The liabilities of the plan have been calculated for the purposes of FRS 102 based on the calculations undertaken for the triennial actuarial valuation as at 31 July 2021, allowing for the different assumptions required under FRS 102 and taking fully into consideration changes in the plan benefit structure and membership since that date.

The principal assumptions used by the actuary were:

	2024	2023
Discount rate	4.90%	5.10%
Rate of increase in salaries *	3.25%	3.30%
Retail Prices Index (RPI)	3.10%	3.30%
Consumer Prices Index (CPI)	2.75%	2.90%
Rate of increase in pensions in payment:		
To 31 December 2012	3.10%	3.30%
From 1 January 2013 (RPI max 5.0% p.a.)	3.05%	3.20%
From 1 January 2013 (CPI max 5.0% p.a.)	2.70%	2.85%
Mortality - equivalent life expectancy for members reaching the age of 65:		
Males currently aged 65	86	87
Males currently aged 45	87	88
Females currently aged 65	89	90
Females currently aged 45	90	91

* Long-term rate shown in the table above. In the short term, a rate of 5.7% in 2024–25 has been assumed.

The following results were measured in accordance with the requirements of FRS 102, based on the assumptions summarised above:

	Present value of defined benefit obligation		Fair value of scheme assets		Net asset/(liability) recognised in the balance sheet	
	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
Opening	(905.4)	(1,103.7)	842.8	815.5	(62.6)	(288.2)
Current service cost	(18.2)	(25.4)	–	–	(18.2)	(25.4)
Administrative expenses paid	–	–	(1.3)	(1.2)	(1.3)	(1.2)
Employer contributions	–	–	17.8	28.8	17.8	28.8
Contributions by members	(0.3)	(0.3)	0.3	0.3	–	–
Benefits paid	35.2	33.3	(35.2)	(33.3)	–	–
Interest (expense)/income	(45.7)	(37.3)	42.5	27.7	(3.2)	(9.6)
Remeasurement gains / (losses):						
Actuarial gains	42.5	228.0	–	–	42.5	228.0
Expected less actual plan expenses	–	–	(0.3)	(0.8)	(0.3)	(0.8)
Return on assets excluding interest	–	–	51.8	5.8	51.8	5.8
Changes in effect of asset ceiling	–	–	–	–	(8.7)	–
Closing defined benefit obligation	(891.9)	(905.4)	918.4	842.8	17.8	(62.6)

The Group has assessed the basis for recognition of the scheme surplus of £26.5m under FRS 102. It has been determined that a Minimum Funding Requirement (MFR) exists and that as a result, the surplus has been recognised in accordance with an asset ceiling, based on the MFR, of £17.8m. The calculated surplus is restricted by £8.7m as a result. The Group has assessed that no unconditional right to refund from the scheme exists. The impact of changes in effect of the asset ceiling is recognised in Actuarial gains in the Statement of comprehensive income.

The movement for the year in the net pension liability/(asset) is reflected in Note 30.

Notes to the financial statements for the year ended 31 July 2024 (continued)**36. Pension schemes (CPS) (continued)**

The total cost recognised in expenditure was:

	2024	2023
	£m	£m
Current service cost	18.2	25.4
Past service cost	-	-
Administrative expenses	1.3	1.2
Interest cost	3.2	9.6
	22.7	36.2

The fair values of the major categories of scheme assets expressed as a percentage of the total were:

Equities	68.4%	67.8%
Bonds and cash	22.4%	24.0%
Property	9.2%	8.2%
	100.0%	100.0%

The return on the scheme's assets was (£m):

Interest income	42.5	27.7
Return on assets excluding interest income	51.8	5.8
	94.3	33.5

Cambridge University Press & Assessment UK defined benefit schemes (PCPF and PSSPS)**Triennial valuation of the schemes**

Actuarial assessments to evaluate the schemes' liabilities and contributions required to fund these are carried out by independent qualified actuaries. The last such triennial valuation was carried out in the UK as at 1 January 2022 using the projected unit cost method (SSPS and CPF) and the next triennial will be performed as at 1 July 2024 with funding policy and contribution levels to be reviewed accordingly.

Pension costs under FRS 102

For accounting purposes, the schemes' assets are measured at fair 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 2022 valuation to 31 July 2024 for the purposes of these financial statements. The principal assumptions used by the actuary for the schemes were:

	2024	2023
Discount rate	5.00%	5.15%
Rate of increase in salaries – schemes are now on frozen current salary basis	0.0%–3.2%	0.0%–3.2%
Rate of increase in pensions in deferment	3.75%	3.7%
Rate of increase in pensions in payment	3.75%	3.7%
Mortality – equivalent life expectancy for members at age 60:		
Males	86-89	86-88
Females	89-91	89-90

*Notes to the financial statements for the year ended 31 July 2024 (continued)**36. Pension schemes (PCPF and PSSPS) (continued)*

The following results were measured in accordance with the requirements of FRS 102, based on the assumptions summarised above. The results for the two schemes have been amalgamated.

	Present value of defined benefit obligation		Fair value of scheme assets		Net liability recognised in the balance sheet	
	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
Opening	(259.6)	(317.1)	242.8	250.3	(16.8)	(66.8)
Current service cost	(0.6)	(0.7)	-	-	(0.6)	(0.7)
Employer contributions	-	-	3.2	3.7	3.2	3.7
Contributions by members	-	-	-	-	-	-
Benefits paid	14.9	14.6	(14.9)	(14.6)	-	-
Interest (expense)/income	(13.1)	(10.5)	12.2	8.3	(0.9)	(2.2)
Remeasurement gains/(losses):						
Actuarial gains/(losses)	(1.4)	54.1	12.9	(4.9)	11.5	49.2
Closing defined benefit obligation	(259.8)	(259.6)	256.2	242.8	(3.6)	(16.8)

The above table shows the combined position of the PCPF and PSSPS UK defined benefit schemes. The combined closing defined benefit obligation of £3.6m (2023: £16.8m) comprises the PCPF scheme surplus of £8.4m (2023: £2.1m) and the PSSPS scheme liability of £12.0m (2023: £18.9m) detailed in Note 30

The movement for the year in the net pension liability is reflected in Note 30. The above table excludes the US pension schemes net pension assets relating to the Press's US Defined Benefit Plans of £2.7m (2023: £2.2m). The US schemes are included in the other pensions disclosure in Note 30.

The total cost recognised in expenditure was:

	2024 £m	2023 £m
Current service cost	0.6	0.7
Interest cost	0.9	2.2
	1.5	2.9

	2024	2023
The fair values of the major categories of scheme assets expressed as a percentage of the total were:		
Equities	34.7%	42.5%
Property	1.0%	2.3%
Cash and annuities	2.9%	1.0%
Diversified credit fund	17.1%	17.5%
Buy and maintain bond portfolio	16.1%	18.7%
Index-linked gilts	28.2%	18.0%
	100.0%	100.0%

The return on the scheme's assets was:

	2024	2023
Interest income (£m)	12.2	8.3

Notes to the financial statements for the year ended 31 July 2024 (continued)**36. Pension schemes (continued)**

The University also has a number of staff in other pension schemes, including the National Health Service Pension Scheme (NHSPS), the Local Government Pension Scheme (LGPS) and the Cambridge University Assistants' Defined Contribution Pension Scheme. These pension schemes are amalgamated in the other pensions disclosure in Note 30. No further disclosures are provided as the balances are not material.

The total Group pension cost included in staff costs for the year (see Note 14) was:

	Employer contributions	Provisions (Note 30)	Total	Employer contributions	Provisions	Total
	2024	2024	2024	2023	(Note 30)	2023
	£m	£m	£m	£m	£m	£m
USS	121.5	(356.7)	(235.2)	137.3	(103.0)	34.3
CPS	17.8	1.7	19.5	28.8	(2.2)	26.6
PCPF	0.8	-	0.8	1.3	(0.6)	0.7
PSSPS	2.6	(2.6)	-	2.4	(2.4)	-
NHSPS	3.2	-	3.2	3.0	-	3.0
Other pension schemes	16.2	0.2	16.4	13.5	0.3	13.8
	162.1	(357.4)	(195.3)	186.3	(107.9)	78.4

Sensitivity analysis

As set out in the accounting policies, there are some critical judgements made with regards to pension obligations. The sensitivity of the principal assumptions used to measure the CPS scheme valuation, representing 76% of total pension gross liabilities, are set out below:

Change in assumptions at 31 July 2024**Approximate impact****CPS scheme valuation**

(a) Impact of a 1.0% p.a. increase in discount rate	Liability decreases by £126m
(b) Impact of a 1.0% p.a. increase in inflation rate	Liability increases by £153m
(c) Life expectancy increased by one year	Liability increases by £26m

Notes to the financial statements for the year ended 31 July 2024 (continued)

37. Principal subsidiary and associated undertakings and other significant investments

The following undertakings were subsidiary and associated undertakings during the year ended 31 July 2024. 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 Centre for Advanced Research and Education in Singapore Limited	a	Research and development
Cambridge Enterprise Limited		Consultancy and commercial exploitation of intellectual property
IFM Engage Limited (formerly IFM Education and Consultancy Services Limited)		Consultancy and commercial exploitation of intellectual property
University of Cambridge Investment Management Limited		Investment management
Cambridge Sustainability Limited		Sustainability leadership programmes
Cambridge Institute for Sustainability Leadership (Australia)	b	Sustainability leadership programmes
Cambridge Institute for Sustainability Leadership (South Africa) NPC	c	Sustainability leadership programmes
Cambridge Institute for Sustainability Leadership (Belgium)	d	Sustainability leadership programmes
Cambridge University Technical Services Limited		Consultancy and commercial exploitation of intellectual property
The Dennis S Avery and Sally Tsui Wong-Avery Endowment Trust	e	Advancement of education and research in cosmology at the University
Curating Cambridge Ltd (formerly Fitzwilliam Museum (Enterprises) Limited)		Publication of fine art books and sale of museum merchandise
JBS Executive Education Limited		Corporate education services
Lynxvale Limited		Construction and development services
UTS Cambridge	aw	Primary school education
Cambridge ClassServer LLP	f	Non-trading
English Language iTutoring Limited	g	Business Support Services
Portal Estate Management		Management and maintenance of the North West Cambridge estate
Core Sustainable Heat Management Limited		Management and maintenance of the North West Cambridge estate
Lodge Property Services Ltd		North West Cambridge estate letting and accommodation services
Storey's Field Community Trust	h	Operational management services for the North West Cambridge estate community centre
Foundation for Genomics and Population Health	e, ag	Provision of biological research
Cambridge University International Holdings Limited		Holding company for overseas projects
Cambridge India Research Foundation	n	Fundraising and research support
Cambridge University Research and Innovation (Nanjing) Ltd	o	Research and development
Cambridge University Nanjing Centre of Technology and Innovation Ltd	o	Research and development
Light Blue Fibre Limited	ah	Other telecommunication services
Innovate Cambridge Ltd (formerly Cambridge& Ltd)		Promotion of eco-friendly ventures in Cambridge
University of Cambridge Research Services Europe Limited	ai	Research and development
Northdown Real Estate Limited Partnership Northdown (General Partner) Limited Northdown Real Estate (Nominee) Limited	aq	Property development and investment
Wood Mews Partners LLP	aq	Property development and investment
Cambridge Enterprise Capital Ltd		Holding company for investments
UAT-UK	au	Undergraduate admissions testing

*Notes to the financial statements for the year ended 31 July 2024 (continued)**37. Principal and subsidiary and associated undertakings and other significant investments (continued)*

Name	Notes	Principal activity
Associated Trusts		
Cambridge Commonwealth, European and International Trust	e	Provision of scholarships, grants, and other support for the education of UK and overseas students in the University
Gates Cambridge Trust	e	Provision of scholarships, grants, and other support for the education of UK and overseas students in the University
Cambridge University Press & Assessment subsidiary undertakings		
Cambridge Assessment Overseas Limited	w	Business support services and intermediate holding company
Cambridge Assessment Singapore	i	Educational charity
Cambridge Avaliacao Representacao e Promocao Ltda	j	Business support services
Cambridge Consulting (Beijing) Co. Ltd	k	Business support services
Cambridge English (Aus)	l	Educational charity
Cambridge Boxhill Language Pty Limited	l	Corporate trust
Cambridge Michigan Language Assessment LLC (USA)	m	Examination services
Cambridge Assessment India Private Limited	n	Non-trading
Cambridge Assessment Pakistan Private Limited	p	Business support services
Fundacion UCLES	q	Educational charity
Oxford and Cambridge International Assessment Services Limited		Business support services and intermediate holding company
The West Midlands Examinations Board		Educational charity
Oxford Cambridge and RSA Examinations		Examination services
Cambridge Assessment Japan Foundation	r	Business support services
IELTS Inc. (USA)	s	Examination services
IELTS UK Services Ltd	t	Examination services
OET Global Pty Ltd	u	Holding company
OET USA LLC	v	Examination services
Cambridge Daigaku Shuppan KK	x	Business support services
Cambridge Knowledge (China) Limited	y	Business support services
Cambridge University Press (Holdings) Limited		Business support services and intermediate holding company
Cambridge University Press & Assessment India Private Limited (formerly Cambridge University Press India Private Limited)	n	Publishing, distribution and Business support services
Cambridge University Press Nigeria Limited	z	Distribution and Business support services
Cambridge University Press Operations Limited		Non-trading
Cambridge University Press Satış ve Dağıtım Ticaret Limited Şirketi	aa	Non-trading
Cambridge University Press Turkey Satış Destek Limited Sirketi	aa	Business support services
Cambridge University Press South Africa Proprietary Limited	ab	Publishing, distribution and Business support services
Cambridge Learning Limited		Non-trading
Editorial Edicambridge Cia Ltda	ac	Business support services
Digital Services Cambridge Limited		Technology and Business support services
ELT Trading SA de CV	ad	Publishing, distribution and Business support services
HOTmaths Pty Limited	ae	Digital learning platform
Oncoweb Limited		Intermediate holding company
Cambridge-Obeikan Company Limited	af	IP licencing
Cogbooks Limited		Intermediate holding company
Cogbooks India Private Limited	aj	Technology and Business support services
Cambridge University Press Egypt LLC	ak	Business support services

*Notes to the financial statements for the year ended 31 July 2024 (continued)**37. Principal and subsidiary and associated undertakings and other significant investments (continued)*

Name	Notes	Principal activity
Cambridge University Press Vietnam Company Limited	al	Business support services
Cambridge University Press Pakistan (Private) Limited	am	Non-trading
Cambridge University Press - Qatar LLC	an	Business support services
Cambridge University Press Singapore Private Limited	ao	Business support services
Cambridge University Press Malaysia Sendirian Berhad	ap	Business support services
Cambridge Kazakhstan Limited		Non-trading
Cambridge Press & Assessment Operations India Private Limited	ar	Publishing and Business support services
Cambridge Assessment		Dormant
OCR Nationals		Dormant
Quick Placement Tests Limited		Dormant
RSA Examinations Board		Dormant
Cambridge Boxhill Language Assessment Unit Trust	as	Examination Services
Cambridge University Press Arabia Limited	at	Non-trading
PT Cambridge Press and Assessment Indonesia	av	Non-trading

- a Cambridge Centre for Advanced Research and Education in Singapore Limited is incorporated in Singapore and has an accounting reference date of 31 March for commercial reasons. The effect of this is not material to the consolidated financial statements.
- b Cambridge Institute 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 financial statements.
- c Cambridge Institute for Sustainability Leadership (South Africa) is incorporated in South Africa.
- d Cambridge Institute for Sustainability Leadership (Belgium) is incorporated in Belgium.
- e These entities are exempt charities established by trust deeds.
- f Cambridge ClassServer LLP is a limited liability partnership registered in England and Wales, in which the University has a two thirds interest acting through Cambridge University Press & Assessment.
- g English Language iTutoring Limited is a limited company registered in England and Wales, in which the University has a 100% interest acting through Cambridge University Press & Assessment.
- h Joint venture arrangement between the University and Cambridge City Council, with the University holding a 50% interest in the company, which is limited by guarantee and registered in England and Wales.
- i Cambridge Assessment Singapore is incorporated in Singapore.
- j Cambridge Avaliacao Representacao e Promocao Ltda is incorporated in Brazil.
- k Cambridge Consulting (Beijing) Co. Ltd is incorporated in China.
- l Cambridge English (Aus) and Cambridge Boxhill Language Pty Limited are incorporated in Australia.
- m Cambridge Michigan Language Assessment LLC (USA) is 65% owned by The Chancellor, Masters, and Scholars of the University of Cambridge and is incorporated in the United States.
- n Cambridge India Research Foundation, Cambridge Assessment India Private Limited and Cambridge University Press & Assessment India Private Limited are incorporated in India.
- o Cambridge University Research and Innovation (Nanjing) Ltd and Cambridge University Nanjing Centre of Technology and Innovation Ltd are incorporated in China and have an accounting reference date of 31 December. Cambridge University Nanjing Centre of Technology and Innovation Ltd is 50% owned by Cambridge University Research and Innovation (Nanjing) Ltd. The effect of the accounting reference date is not material to the consolidated financial statements.
- p Cambridge Assessment Pakistan Private Limited is incorporated in Pakistan.
- q Fundacion UCLES is incorporated in Spain.
- r Cambridge Assessment Japan Foundation is 60% owned and incorporated in Japan.
- s IELTS Inc USA is incorporated in the United States and is 33% owned by Cambridge University Press & Assessment.
- t IELTS UK Services Ltd is 33% owned by Cambridge University Press & Assessment.
- u OET Global Pty Ltd is a 70% subsidiary incorporated in Australia.
- v OET USA LLC is a 70% subsidiary incorporated in the United States of America.

Notes to the financial statements for the year ended 31 July 2024 (continued)*37. Principal and subsidiary and associated undertakings and other significant investments (continued)*

- w A number of Cambridge University Press & Assessment subsidiary undertakings formerly had an accounting reference date of 30 April for commercial reasons, with the exception of the companies incorporated in India (31 March), Australia (30 June) and Mexico, Ecuador, China, Greece and Saudi Arabia (31 December). The effect of this is not material to the consolidated financial statements.
- x Cambridge Daigaku Shuppan KK is incorporated in Japan.
- y Cambridge Knowledge (China) Limited is incorporated in Hong Kong.
- z Cambridge University Press Nigeria Limited is incorporated in Nigeria.
- aa Cambridge University Press Satış ve Dağıtım Ticaret Limited Şirketi and Cambridge University Press Turkey Satis Destek Limited Sirket are incorporated in Turkey.
- ab Cambridge University Press South Africa Proprietary Limited is a 75% subsidiary incorporated in South Africa.
- ac Editorial Edicambridge Cia Ltda is incorporated in Ecuador.
- ad ELT Trading SA de CV is incorporated in Mexico.
- ae HOTmaths Pty Limited is a 65% subsidiary incorporated in Australia.
- af Cambridge-Obeikan Company Limited is incorporated in Saudi Arabia.
- ag Foundation for Genomics and Population Health has an accounting reference date of 31 March. The effect of this is not material to the consolidated financial statements.
- ah Joint venture arrangement between the University and Cambridgeshire County Council, with the University holding a 50% interest in the company which is limited by shares and registered in England and Wales.
- ai University of Cambridge Research Services Europe Limited is incorporated in the Republic of Ireland.
- aj Cogbooks India Private Limited is incorporated in India and has an accounting reference date of 31 March. The effect of this is not material to the consolidated financial statements.
- ak Cambridge University Press Egypt LLC is incorporated in Egypt.
- al Cambridge University Press Vietnam Company Limited is incorporated in Vietnam
- am Cambridge University Press Pakistan (Private) Limited is incorporated in Pakistan and has an accounting reference date of 30 June. The effect of this is not material to the consolidated financial statements.
- an Cambridge University Press – Qatar LLC is incorporated in Qatar.
- ao Cambridge University Press Singapore Private Limited is incorporated in Singapore.
- ap Cambridge University Press Malaysia Sendirian Berhad is incorporated in Malaysia.
- aq Northdown Real Estate Limited Partnership, Northdown (General Partner) Limited, Northdown Real Estate (Nominee) Limited and Wood Mews Partners LLP have an accounting reference date of 30 June. The effect of this is not material to the consolidated financial statements.
- ar Cambridge Press & Assessment Operations India Private Limited is incorporated in India.
- as Cambridge Boxhill Language Assessment Unit Trust is a 70% subsidiary trust incorporated in Australia.
- at Cambridge University Press Arabia Limited is incorporated in Saudi Arabia.
- au Joint venture arrangement between the University and The Imperial College of Science, Technology and Medicine, with the University holding a 50% interest in the company which is limited by guarantee and registered in England and Wales.
- av PT Cambridge Press and Assessment Indonesia is incorporated in Indonesia.
- aw UTS Cambridge has an accounting reference date of 31 August. The effect of the accounting reference date is not material to the consolidated financial statements.

Notes to the financial statements for the year ended 31 July 2024 (continued)**37. Principal and subsidiary and associated undertakings and other significant investments (continued)****Other investments**

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 non-current asset investments (see Note 23). In some cases the University's interest amounted to 20% or more of the share capital at the year end, 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.

Name	% interest	Principal Activity
Cambridge Flow Solutions Limited	22	Commercial exploitation of intellectual property
Microbial Technics Limited	23	Commercial exploitation of intellectual property
Ampika Limited	40	Commercial exploitation of intellectual property

In addition, at the year end the University held an interest of 28.66% (2023: 28.66%) in Cambridge Innovation Capital Limited. The investment is held partly within the CUEF, and partly directly held by the University within its investment portfolio comprising early stage companies. The Group has significant influence over Cambridge Innovation Capital Limited by virtue of its shareholding and board membership, and therefore treats its investment as an Associate. In Note 23(a), the proportion held in the CUEF is disclosed within 'CUEF Units' and the proportion directly held by the University is disclosed as 'Investments in associates - held as part of an investment portfolio'. Movements in the carrying value of this investment are included in the consolidated surplus for the year. As Cambridge Innovation Capital Limited is an investment entity the Group's carrying value is based on its share of the entity's net assets.

38. Related party transactions

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 organisations in which members of the Council may have an interest. All transactions involving organisations in which members of Council may have such an interest, including those summarised 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 financial statements of the University include transactions with:

- entities over which a member of Council or of key management personnel (see Note 14) has control or joint control
- entities over which a member of Council has significant influence
- entities of which a member of Council is a member of the key management personnel

Such transactions are summarised below where they are considered material to the University's financial statements and/or to the other party. The University has taken advantage of the exemption within FRS 102 and has not disclosed transactions with other group entities where it holds 100% of the voting rights.

Transactions with Colleges are summarised in Note 39 below. Included within the financial statements are other transactions with the following related parties:

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, is actively involved in setting the Foundation's strategic direction and approving its 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 2024 includes £9.9m (2023: £10.4m) in respect of continuing grants funded by Gatsby of which £nil (2023: £0.4m) was included in debtors and a further £7.4m (2023: £7.4m) of deferred income was included in creditors at the year end.

Cambridge Students' Union

The President of the Students' Union was also a member of the University's Council for the 2023–24 financial year. Under *Statutes and Ordinances*, Chapter II, the University has discretion to provide financial assistance to the Union and, in the year ended 31 July 2024, provided a grant of £863,000 (2023: £735,000) and made other payments totalling £47,000 (2023: £53,000) for services provided, of which £nil was included in creditors at the year end (2023: £300).

Office of Intercollegiate Services

The Office of Intercollegiate Services (OIS) is responsible primarily for providing support to the 31 colleges of the Collegiate University (Cambridge). In 2023–24 the University received payments from the OIS amounting to £1.9m (2023: £1.9m) relating to contributions to the Vice-Chancellor's Fund and the Cambridge Admissions Office and £3.1m (2023: £2.9m) for other services, of which £850,000 (2023: £144,000) was included in debtors at the year end. In addition, services were provided to the University by the OIS during the 2023–24 financial year amounting to £6.0m (2023: £5.3m).

*Notes to the financial statements for the year ended 31 July 2024 (continued)**38. Related party transactions (continued)***Cambridge University Health Partners Ltd (CUHP)**

CUHP is a partnership organisation managing an academic health science centre which brings together the University, Cambridge University Hospitals NHS Foundation Trust and the Royal Papworth Hospital NHS Foundation Trust. A member of the University's Council was a Director of CUHP during 2023–24. The University provided services to CUHP amounting to £16,000 (2023: £5,000) during the year and £nil (2023: £2,000) was included in debtors at the year end. In addition, services were provided to the University by CUHP during the 2023–24 financial year amounting to £606,000 (2023: £184,000).

Cambridge University Musical Society

A member of the University's Council was Chairman of Cambridge University Musical Society during 2023–24. During the year, the University provided services to the society amounting to £44,000 (2023: £62,000), of which £7,000 (2023: £nil) was in debtors at the year end. The society also provided services to the University amounting to £22,000 (2023: £43,000) during the year, of which £nil (2023: £38,000) was in creditors at the year end.

Sir Jules Thorn Charitable Trust

A member of the University's Council was a Trustee of the Sir Jules Thorn Charitable Trust during 2023–24. During the year, the University received research funding from the Sir Jules Thorn Charitable Trust amounting to £7,000 (2023: £13,000).

Cambridge University Hospitals NHS Foundation Trust

A member of the University's Council was a Non-Executive Director of the Cambridge University Hospitals NHS Foundation Trust during the 2023–4 financial year. During the year, the University provided services amounting to £22.7m (2023: £20.2m), of which £6.6m (2023: £7.0m) was in debtors at the year end. The University made purchases of £18.8m (2023: £14.4m) during the year, of which £3.2m (2023: £1.0m) was included in creditors at the year end. The University also received income from research grants and contracts of £29.5m (2023: £24.4m) during the year, with related debtors of £6.7m (2023: £8.8m) and deferred income included in creditors of £28.0m (2023: £45.2m) at the year end.

Russell Group

A member of the University's Council was a Director of the Russell Group during the 2023–24 financial year. During the year, the University made payments for services to the Russell Group amounting to £93,000 (2023: £87,000).

IKVA Ltd

A member of the University's Council was also a Director of IKVA Ltd during 2023–24, which provides AI technology for data analysis. The University made payments to the company for services amounting to £nil (2023: £4,000) during the 2023–24 financial year.

Cambridge in America

The Vice-Chancellor and another member of the University's Council are members of the Board of Directors of Cambridge in America, a non-profit entity established in the United States to raise funds for the benefit of the University and the independent Colleges described in Note 39. During the year, the University recognised donations totalling £11.4m (2023: £16.5m) from Cambridge in America, of which £0.7m (2023: £0.7m) was in debtors at the year end. Donations received by the University are reduced through a withholding agreement, with the difference between amounts recognised and received of £4.7m (2023: £4.0m). During the year, the University also provided services of £4,000 (2023: £10,000) and purchased services of £3,000 (2023: £7,000) from Cambridge in America. Debtors of £4,000 (2023: £nil) in relation to services provided were recognised at the year end.

Department for Environment, Food & Rural Affairs

A member of the University's Council was a Board Member of the Department for Environment, Food & Rural Affairs (DEFRA) during the 2023–24 financial year. During the year, the University provided services to DEFRA amounting to £10,000. The University also received income from research grants and contracts from DEFRA amounting to £8,000, of which £8,000 was included in creditors at the year end.

National Audit Office

A member of the University's Council was a Non-Executive Director of the National Audit Office during the 2023–24 financial year. During the year, the University provided services to the National Audit Office amounting to £13,000, of which £7,000 was included in debtors at the year end.

Stephen Perse Foundation

A member of the University's Council was the Chair of Governors of the Stephen Perse Foundation during the 2023–24 financial year. During the year, the University provided services to the foundation amounting to £15,000 (2023: £nil), of which £1,000 (2023: £nil) was included in debtors at the year end.

*Notes to the financial statements for the year ended 31 July 2024 (continued)***39. 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, the University paid the Colleges sums totalling £88.9m (2023: £85.9m) 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. These payments are included as 'Payments to Colleges' in Note 15.

The University distributed third-party donations to the Colleges totalling £14.1m (2023: £11.8m); these payments are not included in the consolidated statement of comprehensive income. During the year, the University provided printing, network, and other services to the Colleges for which the Colleges paid a total of £7.6m (2023: £7.5m), and the Colleges provided accommodation, catering, and other services to the University for which the University paid a total of £9.3m (2023: £9.5m). During the year, the Colleges made donations to the University totalling £8.6m (2023: £6.2m).

Current asset investments (Note 26) and Creditors: amounts falling due within one year (Note 28) include CUEF units of £365.1m (2023: £337.9m) held on behalf of 16 (2023: 15) Colleges, £7.5m (2023: £7.3m) held on behalf of the Isaac Newton Trust and £6.6m (2023: £6.1m) held on behalf of other associated bodies.

Creditors: amounts falling due within one year (Note 28) also includes other balances with associated bodies of £4.3m (2023: £4.1m) mainly comprising cash deposits held on behalf of those bodies.

Other debtors includes £18.4m (2023: £13.3m) receivable from Colleges. Other Creditors includes £10.7m (2023: £10.7m) payable to Colleges.

Colleges Fund

	2024 £m	2023 £m
Balance at 1 August	-	-
Contributions received from Colleges	5.8	5.3
Payments to Colleges	(5.8)	(5.3)
Balance at 31 July (included in creditors)	-	-

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

40. Financial risk management

In the ordinary course of its activities, the University manages a variety of financial risks including credit risk, liquidity risk, currency 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 12), some aspects of financial risk management are considered for CUEF and non-CUEF separately.

At 31 July 2023, the CUEF had two revolving credit facilities, an uncommitted facility of £200m and a committed facility of US\$110m, with certain investments of the CUEF provided as collateral for the facilities. During the year, the £200m facility was renewed, and the US\$110m facility was replaced by a new £120m committed facility. The facilities are intended to facilitate transactional liquidity, for the efficient implementation of tactical or strategic asset allocation and to enable CUEF to manage liquidity for distributions and redemptions in the ordinary course of business. The facilities are not permanent leverage. As at 31 July 2024 £nil (2022-23: £nil) was outstanding on the credit facilities.

Through the CUEF, the University invests in various categories of assets for the long term in order to achieve the CUEF's investment objective. The University has a long-term investment objective to generate an average 5.0% p.a. return over the Consumer Price Index (CPI). The CUEF is managed by the University's Investment Office on behalf of University of Cambridge Investment Management Limited, with the oversight of the University's Investment Advisory 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.

Notes to the financial statements for the year ended 31 July 2024 (continued)

40. Financial risk management (continued)

(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 non-CUEF financial assets held with various counterparties. The following table details the maximum exposure to credit risk at 31 July:

	2024 £m	2023 £m
Trade debtors: invoices receivable	173.7	148.2
Research grants recoverable	131.0	133.4
Other debtors	201.8	196.4
Money market investments and other current asset investments	542.0	605.1
Cash at bank	276.5	272.8
Total financial assets exposed to credit risk	1,325.0	1,355.9

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

	2024 £m	2023 £m
Trade and research debtors: outstanding invoices and uninvoiced research grants	345.2	321.0
Less: Provision for impairment of receivables	(40.5)	(39.4)
	304.7	281.6

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 31 July 2024, trade and research grant debtors with a carrying value of £69.3m (2023: £54.9m) were past their due date, but not impaired. The table below provides an ageing analysis.

	2024 £m	2023 £m
Uninvoiced research grants recoverable	77.5	76.1
Balances not past their due date	157.9	150.6
Up to 3 months past due	42.9	42.5
3 to 6 months past due	18.5	6.0
Over 6 months past due	7.9	6.4
Balances against which a provision has been made	40.5	39.4
	345.2	321.0

Movement on provision for impairment of receivables

	Trade Debtors		Research Debtors		Total	
	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
Opening balance	11.6	10.6	27.8	20.6	39.4	31.2
Provided in year	0.9	2.2	1.5	7.2	2.4	9.4
Written off during year	(1.3)	(1.2)	-	-	(1.3)	(1.2)
Closing balance at 31 July	11.2	11.6	29.3	27.8	40.5	39.4

Notes to the financial statements for the year ended 31 July 2024 (continued)

40. Financial risk management (continued)

(a) Credit risk (continued)

Risk management policies and procedures

The University aims to minimise 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. The CUEF's credit exposure to debt instruments is managed by investing in marketable securities and with counterparties that have acceptable credit quality of at least investment grade BBB- or higher. The CUEF also minimises credit risk through banking policies which involve placing deposits only with highly regarded financial institutions. CUEF cash and cash equivalents of £301.1m (2023: £164.7m) were rated at Aaa-mf by Moody's.

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

The ratings of cash balances, term deposits and other current asset investments held outside the CUEF at 31 July were as follows:

Fitch credit quality rating (short / long term)	2024	2023
	£m	£m
AAF/S2	67.3	92.1
F1+ / AA Highest / Very High	-	-
F1+ / AA - Highest / Very High	301.8	120.0
F1 / A+ Highest / High	185.6	351.0
F1 / A Highest / High	178.8	222.9
F1 / A - Highest / High	0.1	0.3
F2 / A - Good / High	51.9	83.4
F2 / BBB+ Good / Good	20.7	0.3
F3 / BBB Fair / Good	0.2	0.1
Lower ratings or not rated	12.1	7.8
	818.5	877.9

(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

Public equities, which are readily realisable, remain the largest single asset class held by the CUEF and liquidity is carefully monitored using a comprehensive set of liquidity limits. For those CUEF assets which are not readily realisable (typically requiring more than six months to realise) and where the CUEF has commitments to provide additional capital to private investments held within the portfolio on short notice, there is risk mitigation in place. Limits are set for the extent of outstanding capital commitments in the CUEF and there is regular monitoring of the amounts of distributions and redemptions and the extent of unpaid capital commitments to private investments, compared to actual and potential liquidity of the CUEF. While CUEF 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 financial statements for the year ended 31 July 2024 (continued)

40. Financial risk management (continued)

(b) Liquidity risk (continued)

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

	Three months or less £m	Between three months and one year £m	Between one and five years £m	More than five years £m	Total £m
As at 31 July 2024					
Bond liabilities	6.6	14.4	83.8	2,093.6	2,198.4
Secured CUEF borrowings	-	-	77.3	-	77.3
Derivative financial instruments liability positions	0.3	1.8	-	-	2.1
Investments held on behalf of others	-	379.2	-	-	379.2
Finance leases	-	0.2	0.2	0.6	1.0
Other creditors excluding deferred income	271.3	78.1	48.2	-	397.6
Totals at 31 July 2024	278.2	473.7	209.5	2,094.2	3,055.6
As at 31 July 2023					
Bond liabilities	6.6	14.4	83.8	2,114.6	2,219.4
Secured CUEF borrowings	-	-	-	40.4	40.4
Derivative financial instruments liability positions	0.5	2.2	-	-	2.7
Investments held on behalf of others	-	351.3	-	-	351.3
Finance leases	-	0.2	0.2	0.7	1.1
Other creditors excluding deferred income	279.8	84.9	45.3	-	410.0
Totals at 31 July 2023	286.9	453.0	129.3	2,155.7	3,024.9

Capital commitments, excluded from the above analysis, are disclosed in Note 35.

(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 Advisory Board advises the Cambridge University Endowment Trust Board (CUETB) 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 optimising 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 utilising 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. An asset allocation paper is presented annually to the Investment Advisory Board and the latest position on asset allocations is disclosed in the quarterly Investment Advisory Board and investor reporting. 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:

	2024	2023
Pounds Sterling	52.6%	58.5%
US Dollar	41.7%	36.5%
Euro	0.5%	0.5%
Japanese Yen	2.8%	2.4%
Other currency	2.4%	2.1%
	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 financial statements for the year ended 31 July 2024 (continued)

40. Financial risk management (continued)

(c)(i) Currency risk (continued)

The following table summarises the significant assets and liabilities exposed to currency risk as at 31 July 2024:

	US Dollar \$m	Euro €m	US Dollar £m	Euro £m	Other £m	Total £m
CUEF investment assets excluding currency contracts	3,276.0	205.4	2,550.5	173.0	275.7	2,999.2
CUEF forward currency contracts	(982.7)	(179.5)	(765.1)	(151.2)	(53.7)	(970.0)
Net exposure of CUEF	2,293.3	25.9	1,785.4	21.8	222.0	2,029.2
Exposures outside CUEF:						
Debtors	59.9	40.8	46.6	34.4	28.8	109.8
Cash balances	18.9	9.5	14.7	8.0	80.9	103.6
Creditors including bank and other loans	(26.3)	(9.6)	(20.5)	(8.1)	(40.0)	(68.6)
Forward currency contracts	(0.5)	(0.2)	(0.4)	(0.2)	-	(0.6)
Net exposure	2,345.3	66.4	1,825.8	55.9	291.7	2,173.4

The impact on total recognised gains for the year 2023–24 of additional 10% variations in the principal exchange rates would have been:

10% US Dollar appreciation	182.6
10% Euro appreciation	5.6

The following table summarises the significant assets and liabilities exposed to currency risk as at 31 July 2023:

	US Dollar \$m	Euro €m	US Dollar £m	Euro £m	Other £m	Total £m
CUEF investment assets excluding currency contracts	3,015.0	159.3	2,343.3	136.5	238.8	2,718.6
CUEF forward currency contracts	(1,093.6)	(137.4)	(850.0)	(117.7)	(56.4)	(1,024.1)
Net exposure of CUEF	1,921.4	21.9	1,493.3	18.8	182.4	1,694.5
Exposures outside CUEF:						
Debtors	61.1	38.0	47.5	32.6	32.1	112.2
Cash balances	28.2	7.6	21.9	6.5	77.1	105.5
Creditors including bank and other loans	(22.3)	(10.2)	(17.3)	(8.7)	(39.9)	(65.9)
Forward currency contracts	(28.7)	(13.8)	(22.3)	(11.8)	-	(34.1)
Net exposure	1,959.7	43.5	1,523.1	37.4	251.7	1,812.2

The impact on total recognised gains for the year 2022–23 of additional 10% variations in the principal exchange rates would have been:

10% US Dollar appreciation	152.3
10% Euro appreciation	3.7

Risk management policies and procedures

Currency exposures are managed in accordance with the current hedging policy, which has been reviewed and approved by the University of Cambridge Investment Management Limited board and the Investment Advisory Board.

Notes to the financial statements for the year ended 31 July 2024 (continued)**40. Financial risk management (continued)****(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 (that is, for fixed interest rate assets or liabilities) or that future cash flows will fluctuate due to changes in interest rates (that is, for floating rate assets or liabilities).

Interest rate exposure and sensitivity

As stated in the accounting policies, the University's fixed interest bond liabilities are measured at amortised cost using the effective interest rate method, rather than at fair value. The University has not directly invested in variable rate deposits or interest-bearing securities; however, it does hold investments in various fixed income instruments directly and through its investment fund managers. The University directly held fixed interest UK Government gilts amounting to £40.9m at 31 July 2024 (2023: £40.9m), designated as held to maturity and recognised at amortised cost. The University also directly held UK Government Index-linked gilts of £39.5m (2023: £nil), designated as held for trading and recognised at fair value through profit and loss. The CUEF held a fixed interest investment in US Treasury notes amounting to £37.7m at 31 July 2024 (2023: £27.6m).

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 2024, the University did not directly hold any corporate and overseas government bonds with fixed interest.

Risk management policies and procedures

University of Cambridge Investment Management Limited (the Investment manager of the CUEF) 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. The CUEF has limited risk exposure to interest rates as there is regular monitoring of the allocations made to fixed interest investments not intended to be held to maturity and confirming there is no fixed interest borrowing.

(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. Additionally, the Indexed bonds issued in June 2018 are subject to changes in the Consumer Price Index with the fair value of these liabilities fluctuating at each reporting date dependent on the movement in this index.

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 23.

Risk management policies and procedures

The CUEF measures the value of most of its investments on a monthly basis, and the remainder quarterly using market value if available (otherwise fair value). There is regular monitoring of the asset allocation to identify if the current allocation is in line with the actual and intended future allocations agreed with the Investment Advisory Board. Variations are then considered as part of the ongoing investment decisions.

41. 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 fixed interest bond liabilities are measured at amortised cost of £641.3m (2023: £641.1m, see Note 29) whereas the fair value of the fixed interest bond liabilities at 31 July 2024 was £460.7m (2023: £466.8m) based on independent valuations. Other financial assets and liabilities are measured at fair value through profit and loss.

The Indexed bond liabilities are measured at fair value at the balance sheet date based on independent valuations. The University sought three estimates from independent institutions to value these Bonds. As the bonds operate in a highly illiquid market, valuation of these bonds relies on an estimation of the offer price. The CPI-linked bond is valued with reference to the market yield on an equivalent duration gilt, adjusting for various spread factors associated with the unique Cambridge bond. Due to changes in Bloomberg terminal functionality during the year and the resulting limitation of the ability to readily value index-linked bonds with non-standard features such as floors and caps, valuation estimates were only received from two institutions. The estimate from the two institutions has indicated a sensitivity of approximately 21% (2023: 6%) of the value with a range of £38.4m (2023: £11.5m) between the highest and lowest valuation. An average price has been used for valuation purposes. The average price used was benchmarked against the Bloomberg Generic Price (BGN), which is considered a reliable market consensus price for corporate and government bonds. It is calculated using prices contributed to Bloomberg from various sources and any other relevant information. The average price used for the valuation was not materially different to the Bloomberg Generic Price.

Notes to the financial statements for the year ended 31 July 2024 (continued)

41. Fair value (continued)

The fair value measurements of all the bond liabilities are categorised as Level 2 using the definitions as noted below. The book values of the Group's other financial assets and long-term liabilities, including pension obligations shown on the statement of financial position, are the same as the fair values.

Fair value measurements

The following tables categorise the fair values of the Group's investment assets based on the inputs to the valuation. Categorisation 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

The valuation techniques used are described in more detail in Note 4(iii) to the financial statements.

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Investment assets at fair value at 31 July 2024				
CUEF:				
Investment Assets	1,427.6	1,257.9	1,368.7	4,054.2
Derivative financial assets	-	9.4	-	9.4
Cash and cash equivalents	301.1	-	-	301.1
Total CUEF assets	1,728.7	1,267.3	1,368.7	4,364.7
Secured borrowings	(77.3)	-	-	(77.3)
Derivative financial liabilities	-	(1.5)	-	(1.5)
Net CUEF assets / liabilities	1,651.4	1,265.8	1,368.7	4,285.9
CMAF Units	607.4	-	-	607.4
Other investments	5.9	17.1	162.1	185.1
Investment properties	-	477.1	-	477.1
Money market and other liquid current asset investments	339.1	-	-	339.1
Total investment assets at fair value at 31 July 2024	2,603.8	1,760.0	1,530.8	5,894.6

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Investment assets at fair value at 31 July 2023				
CUEF:				
Investment Assets	1,818.2	829.2	1,267.8	3,915.2
Derivative financial instruments	-	49.5	-	49.5
Cash in hand and at investment managers	164.7	-	-	164.7
Total CUEF net assets	1,982.9	878.7	1,267.8	4,129.4
Secured borrowings	(40.4)	-	-	(40.4)
Derivative financial liabilities	-	(1.8)	-	(1.8)
Net CUEF assets	1,942.5	876.9	1,267.8	4,087.2
CMAF units	406.8	-	-	406.8
Other investments	4.6	16.0	158.6	179.2
Investment properties	-	509.0	-	509.0
Money market investments	478.6	-	-	478.6
Total investment assets at fair value at 31 July 2023	2,832.5	1,401.9	1,426.4	5,660.8

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

	2024 £m	2023 £m
Fair value at 1 August	1,426.4	1,538.5
Purchases less sales proceeds	120.0	(8.9)
Total (losses) / gains	7.4	(121.0)
Transfers into Level 3	(23.0)	17.8
Fair value at 31 July	1,530.8	1,426.4

Notes to the financial statements for the year ended 31 July 2024 (continued)**41. Fair value (continued)**

Investment assets comprise quoted investments and unquoted investments, which 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 the level assigned to the underlying assets as disclosed by the fund in their latest financial statements. Where multiple levels are split across the asset class, the fair value measurement is categorised in its entirety on the basis of the lowest level input that is significant (>15%) to the fair value measurement in its entirety. Transfers into and out of Level 3 occur when the classification of the underlying assets and liabilities of these funds changes.

42. Reconciliation of net debt

An analysis of the movement in net debt for the year ended 31 July 2024 is provided below:

	At 1 August 2023 £m	Cash changes £m	Non-cash changes £m	At 31 July 2024 £m
Cash and cash equivalents (see Note 27)	399.3	80.2	(0.1)	479.4
Money market and other liquid current asset investments (see Note 26)	478.6	(146.6)	7.1	339.1
Debt due within one year (see Note 28):				
– Finance leases	(0.1)	0.1	(0.1)	(0.1)
Debt due after more than one year (see Note 29):				
– Finance leases	(1.0)	0.2	–	(0.8)
– Secured CUEF borrowings	(40.4)	(36.9)	–	(77.3)
– Bond liabilities – unsecured 2052 (fixed interest)	(343.2)	–	(0.2)	(343.4)
– Bond liabilities – unsecured 2078 (fixed interest)	(297.9)	–	–	(297.9)
– Bond liabilities – unsecured 2068 (index-linked, amortising from 2028)	(196.3)	–	13.1	(183.2)
Net debt	(1.0)	(103.0)	19.8	(84.2)

	At 1 August 2022 £m	Cash changes £m	Non-cash changes £m	At 31 July 2023 £m
Cash and cash equivalents (see Note 27)	553.3	(154.0)	–	399.3
Money market and other liquid current asset investments (see Note 26)	515.9	(34.7)	(2.6)	478.6
Debt due within one year (see Note 28):				
– Finance leases	(0.1)	–	–	(0.1)
Debt due after more than one year (see Note 29):				
– Finance leases	(1.0)	–	–	(1.0)
– Secured CUEF borrowings	(40.4)	–	–	(40.4)
– Bond liabilities – unsecured 2052 (fixed interest)	(343.1)	–	(0.1)	(343.2)
– Bond liabilities – unsecured 2078 (fixed interest)	(297.8)	–	(0.1)	(297.9)
– Bond liabilities – unsecured 2068 (index-linked, amortising from 2028)	(281.8)	0.1	85.4	(196.3)
Net cash/(debt)	105.0	(188.6)	82.6	(1.0)

Net debt excludes cash and cash equivalents held within the CUEF but includes the Group's other liquid current asset investments that are excluded from cash and cash equivalents under FRS 102. Management's view is that this definition is representative of the Group's available liquid resources, as cash and cash equivalents held within the CUEF are considered part of the Group's non-current assets and are therefore excluded, and other liquid current asset investments are managed on a unified basis with non-CUEF cash and cash equivalents as part of the Group's short-term liquid assets portfolio.

Net debt includes the non-cash fair value adjustment to revalue the CPI-linked bond at the balance sheet date. This represents a valuation of the liability at a point in time and is not necessarily reflective of the final repayment value on redemption of the bond. As such, management's view is that an adjusted net debt position (removing the cumulative effects of the fair value adjustment of £113.5m (2023: £100.3m), but including the accretion in the value of CPI-linked Bond of £44.9m (2023: £34.8m) is more representative of the underlying borrowing position of the Group.

Appendix 1: Summary consolidated financial information

Financial summary (unaudited)

The financial summary set out below has been derived from the audited consolidated financial statements of the University for the five years ended 31 July 2024. It should be read in conjunction with the consolidated financial statements and related notes.

(a) Summary consolidated statement of comprehensive income (£m)	2024	2023	2022	2021	2020
Total income	2,630.7	2,518.3	2,238.1	2,176.9	2,074.9
Total expenditure	(2,243.7)	(2,317.9)	(2,320.4)	(2,073.2)	(1,969.8)
Surplus / (deficit) before other gains and losses	387.0	200.4	(82.3)	103.7	105.1
Share of operating surplus / (deficit) in joint ventures	(0.2)	0.2	0.4	1.4	(0.8)
Gain on disposal of fixed assets *	(0.7)	-	7.5	(1.1)	4.7
Gain / (loss) on investments	346.4	3.9	199.0	781.6	(22.3)
Surplus for the year before taxation	732.5	204.5	124.6	885.6	86.7
Surplus for the year	726.1	198.9	120.2	883.5	84.7
Actuarial gain / (loss)	98.6	286.4	596.0	30.0	(156.8)
Other comprehensive (loss) / income for the year	(1.1)	(6.3)	1.2	(2.8)	(2.8)
Total comprehensive income / (expense) for the year	823.6	479.0	717.4	910.7	(74.9)
Represented by:					
Endowment comprehensive income / (expense) for the year	153.0	(7.8)	98.7	445.7	(38.8)
Restricted comprehensive income for the year	37.3	64.1	7.7	129.0	126.2
Unrestricted comprehensive income / (expense) for the year	633.3	422.7	611.0	336.0	(162.3)
	823.6	479.0	717.4	910.7	(74.9)
Adjusted consolidated statement of comprehensive income					
Surplus for the year	726.1	198.9	120.2	883.5	84.7
Less: (Gain) / loss on investments	(346.4)	(3.9)	(199.0)	(781.6)	22.3
Less: CPI-linked bond fair value adjustment	(13.2)	(85.4)	(182.2)	17.0	98.8
Less: USS pension deficit recovery reflected in staff costs	(344.3)	(75.2)	260.8	6.1	(160.4)
Less: Donation, endowment and capital grant income	(189.6)	(182.1)	(95.9)	(221.2)	(199.8)
Add: CUEF income (distribution basis)	151.7	138.2	121.5	116.0	112.1
Adjusted operating (deficit) / surplus for the year	(15.7)	(9.5)	25.4	19.8	(42.3)

Appendix 1: Summary consolidated financial information (continued)

(b) Summary consolidated statement of financial position (£m)	2024	2023	2022	2021	2020
Non-current assets	8,285.2	7,858.1	7,714.1	7,217.9	6,511.3
Current assets	1,749.9	1,760.7	1,872.9	2,005.2	1,765.1
Total assets	10,035.1	9,618.8	9,587.0	9,223.1	8,276.4
Current liabilities	(1,076.6)	(1,098.9)	(1,099.7)	(993.2)	(966.6)
Non-current liabilities	(967.5)	(1,352.2)	(1,794.4)	(2,250.4)	(2,240.8)
Net assets	7,991.0	7,167.7	6,692.9	5,979.5	5,069.0
Income and expenditure reserve - endowment	2,622.1	2,469.1	2,476.9	2,378.2	1,932.5
Income and expenditure reserve - restricted	291.5	254.2	190.1	182.4	153.5
Income and expenditure reserve - unrestricted	5,077.4	4,444.4	4,025.9	3,418.9	2,983.0
Total reserves	7,991.0	7,167.7	6,692.9	5,979.5	5,069.0
Net (debt) / cash	(84.2)	(1.0)	105.0	150.3	(32.2)
Less: CPI-linked bond fair value adjustment (cumulative adjustment)	(113.5)	(100.3)	(14.9)	167.3	150.3
Add: accretion of CPI-linked bond (cumulative adjustment)	(44.9)	(34.8)	(25.1)	(15.6)	(9.0)
Adjusted net (debt) / cash	(242.6)	(136.1)	65.0	302.0	109.1

(c) Summary consolidated statement of cash flows (£m)	2024	2023	2022	2021	2020
Net cash (outflow) / inflow from operating activities after taxation	(58.3)	26.0	92.4	119.2	123.5
Net cash inflow / (outflow) from investing activities	219.3	(237.3)	(387.0)	405.9	(314.2)
Net cash inflow / (outflow) from financing activities	55.5	1.7	66.7	(77.9)	12.5
Increase / (reduction) in cash and cash equivalents in the year	216.5	(209.6)	(227.9)	447.2	(178.2)
Cash and cash equivalents at end of the year	780.5	564.0	773.6	1,001.5	554.3