CAMBRIDGE UNIVERSITY
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REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

ANNUAL REMUNERATION REPORT, 2023–24

CONTENTS

UNIVERSITY OF CAMBRIDGE

PUBLISHED BY AUTHORITY

NOTICES

Annual Reports and Financial Statements for the year ended 31 July 2024

The Council approved the Annual Reports and Financial Statements (p. 294) as received on 25 November 2024. They were signed by the Vice-Chancellor, an external member of the Council and the Chief Financial Officer and subsequently submitted to the Office for Students.

The Reports and Financial Statements for the year ended 31 July 2024 will be included in the items listed for Discussion on Tuesday, 18 March 2025.

Annual remuneration report, 2023–24

The Council is required to publish each year a remuneration report setting out the principles behind the University's approach to the remuneration of its staff, in line with the guidance provided by the Committee of University Chairs and the Office for Students. The remuneration report for 2023–24 was approved by the Remuneration Committee and the Council on 25 November 2024 and is published on p. 379 below for the information of the University. The report also provides remuneration data which should be read in parallel with that provided in the Notes to the Financial Statements section (p. 324 at p. 337).

ANNUAL REPORTS AND FINANCIAL STATEMENTS: BRIEF OVERVIEW

Brief overview for the year ended 31 July 2024

Vice-Chancellor's statement

The start of a new academic cycle is an opportunity to reflect on recent achievements and to think about the months ahead.

Cambridge had an excellent year, with an impressive roll call of new Fellows of the learned societies, and many members of our community recognised with national Honours. We enjoyed sporting success, award-winning exhibitions, celebrated discoveries, new spin-out companies, and significant progress on major capital projects.

The year 2023–24 was also a strong one for philanthropy, as we reached the goal of £500m raised for the Student Support Initiative. That scheme has been transformative – it has underpinned the Foundation Year and the Get-In Campaign, the Stormzy scholarships, the Mastercard Foundation scholarships, and the Harding postgraduate scholarships. It has also enabled the transformation of our student health and wellbeing services, and much more.

We are now identifying ways to work more closely with a new government; in this moment of national renewal, Cambridge has a huge amount to offer.

Four of our current initiatives illustrate how we can contribute. In collaboration with the Colleges, we are stepping up widening participation efforts to attract students from areas of the country where we do not draw as strongly. We are in the advanced planning stages for two new hospitals on the biomedical campus – the Cambridge Cancer Research Hospital and the Cambridge Children's Hospital – both of which will revolutionise care across East Anglia, the UK, and beyond. We are expanding the Bennett Institute for Public Policy, already a hub of academic and policy research about the major challenges facing the country and the world. And finally, we have bold, ambitious plans for the creation of an Innovation Hub at West Cambridge that will bring together the very best researchers, innovators, entrepreneurs, spinouts and funders under one roof.

We want to make the University of Cambridge the best possible place to work. That means rewarding our staff appropriately and supporting them to do their very best work here.

Toward that end, the University recently launched its People Strategy, a suite of initiatives designed to strengthen our ability to attract, develop, and reward talent, build community, and run an effective organisation.

The successful roll-out of our ambitious plans requires robust finances. While we are not immune to the financial challenges faced by the UK's higher education sector, Cambridge has the resources to make it resilient. These resources enable us not only to balance the annual operating budget but also to invest in our people, our Estate, and our digital capacities for the longer-term. We are working across the University to cut costs, increase revenues (including philanthropy), and attain a better balance between spending today and investing for tomorrow. It is this long-term financial planning that will ultimately allow us to achieve our academic mission.

Professor Deborah Prentice
Vice-Chancellor

About the University

The University of Cambridge is one of the world's leading universities, with a rich history of radical thinking dating back to 1209. Its mission is to contribute to society through the pursuit of education, learning and research at the highest international levels of excellence.

The University comprises 31 autonomous Colleges and over 100 Departments, Faculties and institutions. Its 24,000 students include around 8,000 international students. In 2023, 72.6% of its new undergraduate students were from state schools and more than 25% from economically disadvantaged backgrounds.

Cambridge research spans almost every discipline, from science, technology, engineering and medicine through to the arts, humanities and social sciences, with multi-disciplinary teams working to address major global challenges. In the *Times Higher Education*'s rankings reflecting results of the most recent UK Research Excellence Framework in 2021, for research, the University was rated as the highest scoring institution covering all the major disciplines.

A 2023 report found that the University contributes nearly £30 billion to the UK economy annually and supports more than 86,000 jobs across the UK, including 52,000 in the East of England. For every £1 the University spends, it creates £11.70 of economic impact, and for every £1 million of publicly-funded research income it receives, it generates £12.65 million in economic impact across the UK.

The University sits at the heart of the 'Cambridge cluster', in which more than 5,000 knowledge-intensive firms employ more than 73,000 people and generate £24 billion in turnover.

Cambridge University Press & Assessment publishes thousands of books, hundreds of journals, and through its examinations, issues more than 11 million grades worldwide each year. The Press & Assessment serves more than 100 million learners in 170 countries.

Public benefit

The University is an exempt charity subject to regulation, with effect from 1 April 2018, by the Office for Students under the Higher Education and Research Act 2017. The University reports annually on the ways in which it has delivered charitable purposes for the public benefit. Highlights for the year are included as a separate pdf document at https://www.admin.cam.ac.uk/reporter/2024-25/weekly/6773/brief-overview2024.pdf. The Council, in reviewing the University's activities in this regard, has taken into account the Charity Commission's guidance on public benefit. The Council is satisfied that the activities of the University, as described in this Report and Financial Statements, fully meet the public benefit requirements of advancement of education, research and dissemination of knowledge.

Environmental sustainability

Cambridge's world-leading research and education play a key role in developing sustainable solutions and future leaders who are equipped to tackle global environmental challenges such as climate breakdown and biodiversity loss. The University recognises the need to deliver its academic activities in an environmentally responsible way and is taking action on a number of fronts to improve its environmental sustainability performance across its estate, supply chain and investments. The University has adopted a number of commitments to reduce carbon emissions across its operations.

From an estates perspective, the University is committed to reducing energy-related emissions from its operational estate[1] by 75% against 2015–16 levels by 2030–31, and to absolute zero by 2048. Over the past year a major focus has been on exploring opportunities to utilise the existing estate more efficiently and effectively in support of the University's academic mission. The 'Reshaping our Estate' programme has identified opportunities to deliver an estate that costs less to run, has lower carbon emissions and is more biodiverse, whilst providing high-quality spaces that support collaboration and academic excellence. These findings will now inform the development of a Strategic Estates Framework, with environmental sustainability at its core. Alongside this, there has been a continued focus on decarbonising the University's supply of heat, with a number of heat decarbonisation projects moving forward, including at the Whittle Laboratory, Keynes House and Donald McIntyre building. The University continues to work on pathways towards its absolute zero by 2048 commitment.

[1] The operational estate comprises those buildings that are used to support the University's teaching and research, and the associated administrative functions. It excludes the University's commercial and rural estate, and Cambridge University Press & Assessment. The Colleges are separate legal entities and out of scope of the University's reported emissions.

Energy-related emissions from the operational estate in 2023–24 are shown in Table 1. The University reports more fully on the environmental performance of its estate in an annual Environmental Sustainability Report. The 2023–24 report will be available in early 2025.

Table 1: Energy-related emissions from the operational estate 2023–24 (tCO_2e)

	2023–24	2022–23	Baseline (2015–16)
Total Scope 1 and 2 Market-based carbon emissions (energy and fuel use)*	**24,712** Ⓐ	23,229	74,828
Total Scope 1 and 2 Location-based carbon emissions (energy and fuel)	**51,677** Ⓐ	50,690	74,828
Total nuclear waste generated (tonnes/year)**	**0.697**	0.794	–

* Progress against the target is measured against the University's Market-based emissions. For full transparency, the University's Location-based emissions are also shown.

** A proportion of the University's procured electricity is sourced from UK wind farms via a Power Purchase Agreement (PPA). As an interim step towards zero carbon energy sources, the proportion of electricity that is not currently sourced via a PPA is generated through nuclear power, which is reported as zero carbon. In the interests of transparency, the University reports the amount of nuclear waste generated as a result of its use of nuclear power. Conversion factors from https://www.edfenergy.com/fuel-mix.

PricewaterhouseCoopers LLP (PwC) has performed an Independent Limited Assurance engagement on selected balances within the 2023–24 data, shown with the symbol Ⓐ, in accordance with the International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' and International Standard on Assurance Engagements 3410 'Assurance engagements on greenhouse gas statements', issued by the International Auditing and Assurance Standards Board. The Independent Limited Assurance Report can be found on our website along with our Methodology Statement – the basis on which the balances are calculated and a description of the limited assurance given.[2]

In 2024, the University recruited its first Biodiversity Manager, who will play a pivotal role in embedding biodiversity improvements across the management of the estate and, longer term, across the University's supply chain, helping to deliver against the pledge to become a Nature Positive University.

With regard to procurement, the University has introduced a new Supplier Code of Conduct, which sets out the minimum sustainability and environmental standards and expectations that University suppliers are required to meet. The University is working in collaboration with other universities and its suppliers to improve the data it holds on the carbon impact of its supply chain, with an initial focus on the highest carbon categories of expenditure. Alongside this, the University has developed new procurement and purchasing training for its staff, with a focus on environmental sustainability to help staff make informed decisions.

University of Cambridge Investment Management Limited (UCIM) is the investment organisation that manages the Cambridge University Endowment Fund (CUEF). UCIM's sustainable investment strategy, in place since 2020, is focused on

(i) investing to achieve a phased approach to net zero

(ii) engaging with our fund management partners to decarbonise their portfolios and

(iii) reporting with transparency and accountability to our stakeholders. UCIM is committed to working with the University and all stakeholders towards its ambition that the Endowment Fund will be 'net zero' of greenhouse gas emissions by 2038.

In 2023, UCIM started measuring its own greenhouse gas emissions and the organisation was awarded Gold in the University's Green Impact Awards in 2024. As at 30 June 2024, the CUEF's exposure to conventional energy[3] was 1.6% of the portfolio; a reduction of 0.6% since 30 June 2023. UCIM continues to actively engage with its core fund management partners to support them to decarbonise their portfolios, including delivering a bespoke executive education programme, in partnership with Cambridge Institute for Sustainability Leadership, to provide them with frameworks and tools to reach net zero. UCIM provides regular updates to investors in the CUEF and other University stakeholders on progress against its sustainable investment strategy. Further information is available at https://www.ucim.co.uk.

The University's Banking Engagement Forum, established in 2022, has enabled the collegiate University to use its combined influence as a customer or potential customer with banks and asset managers to help mitigate climate change. This year its work has included launching a collaboration of over 70 Higher Education Institutions on a Request for Proposals for cash products (deposits and money market funds) that do not contribute to the financing of fossil fuel expansion; commissioning an environmental rating of UK banks; and hosting several client-service provider engagement meetings with banks and asset managers in which senior University and College personnel have pressed for the cessation of financing of fossil fuel expansion.

In July 2024, the University Council announced its plans to strengthen leadership on environmental sustainability across the University's academic and operational activities. A comprehensive body of work is underway and the University will publish a new operational environmental sustainability strategy and plan in 2025.

[2] See https://www.environment.admin.cam.ac.uk/Annual-Report/important-information-independent-limited-assurance-reports and https://www.environment.admin.cam.ac.uk/files/university_of_cambridge_methodology_statement_fy24.pdf

[3] Data source: UCIM internal reporting.

Cambridge University Press & Assessment is focusing on climate education by offering resources and expertise in teaching and learning for nature, the environment and climate in partnership with students, teachers, and education ministries. It is creating the skills and understanding required for adapting to climate change by embedding understanding of climate issues and sustainability into its education programmes, publishing, assessment, and research. This year, the Press & Assessment launched an online climate literacy course in India, developed in partnership with Cambridge Zero, to give students the skills and knowledge to tackle climate change in a flexible and accessible way – and at scale.

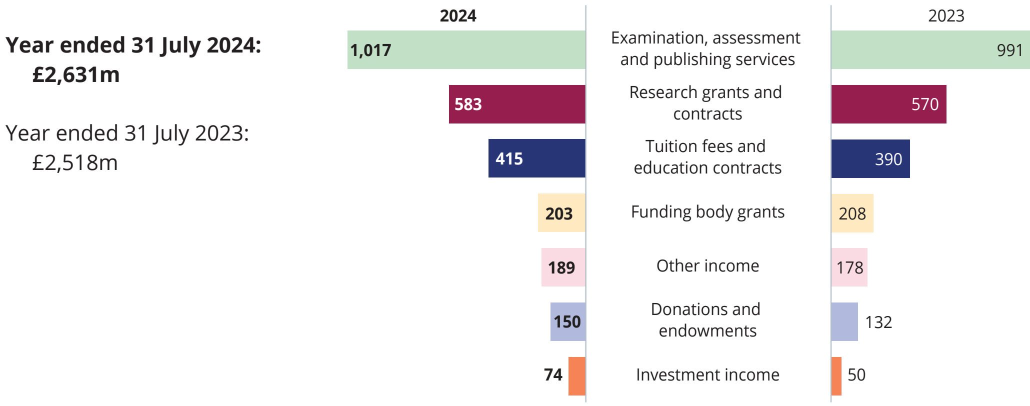
The Press & Assessment is committed to reaching carbon zero on its energy-related emissions by 2048. The organisation is a proud signatory of the UN Global Compact, the world's largest corporate sustainability initiative, and reports annually on its progress. This reporting year, the Press & Assessment reduced its scope 1 and 2 carbon emissions by 9% across its UK operations and remains on track to meet its science-based target to reduce energy-related emissions. For more information, the Press & Assessment carbon report is available at https://www.cambridge.org/carbonemissionsreport.

Financial highlights

The University's audited financial statements for the year ended 31 July 2024 are included in the next section of this *Reporter* issue, p. 294 to p. 376. The following analyses, extracted from those financial statements and the accompanying financial review, summarise the University's sources of income, surplus for the year and the factors affecting net assets.

Group income

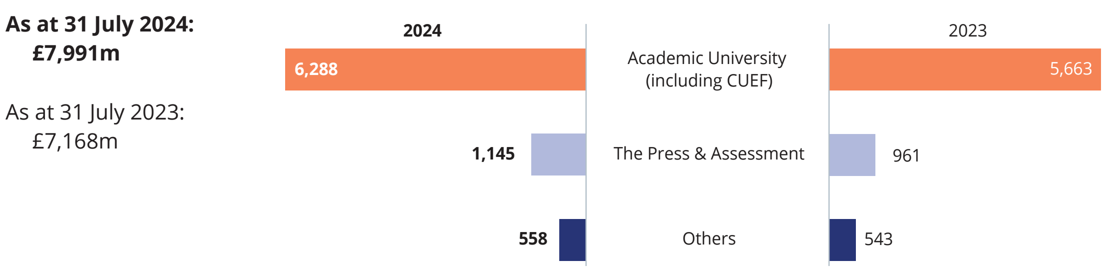
The Group's income has increased by £112m (up 4%) compared to the prior year, due primarily to a continued strong performance from Cambridge University Press & Assessment, and increased tuition fees and education contracts, donations and endowments, and investment income.



Group net assets

The Group's net assets totalled £7,991m at 31 July 2024 (2023: £7,168m). The increase in net assets substantially reflects non-cash credit adjustments of £344m relating to the USS pension scheme deficit recovery provision, £346m of net investment gains, and £13m relating to the fair value revaluation of the Group's CPI-linked bond, combined with actuarial gains of £99m on the Group's defined benefit pension schemes.

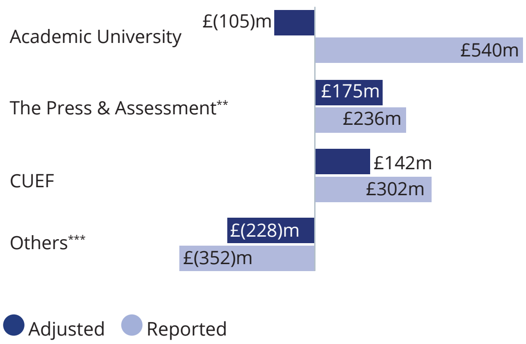
Cash and cash equivalents (excluding cash held in the CUEF) increased from £399m to £479m in the year, primarily as a result of transfers between short term investments and cash. There was an operating cash outflow of £58m (2023: inflow of £26m).

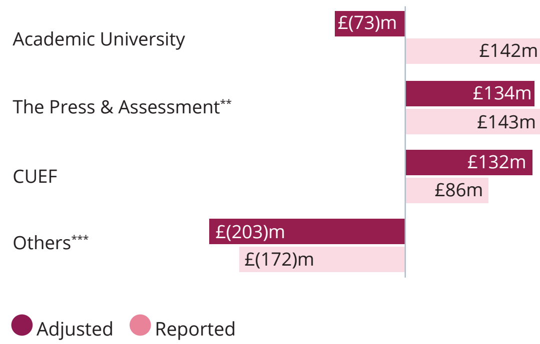


Group surplus for the year

The Group generated a reported surplus for the year of £726m (2023: £199m). After adjusting for the fair value revaluation, the CPI index linked Bond, change in USS pension deficit recovery provision, donations, endowments and capital grant income, and the CUEF income on a distribution basis, the underlying 'adjusted operating deficit' was £16m (2023: £10m). The University considers this to be a meaningful, consistent measure of underlying recurrent operating performance.

Year ended 31 July 2024		Year ended 31 July 2023	
Reported surplus for the year	**£726m**	Reported surplus for the year	**£199m**
Adjusted operating deficit for the year*	**£(16)m**	Adjusted operating deficit for the year*	**£(10)m**





* See Appendix 1.
** Stated before contributions and transfers made to the University.
*** Other includes Trusts, subsidiaries and the elimination adjustments.

ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

Financial review

Scope of the financial statements

The consolidated financial statements provide an overview of the finances and operations of the University Group (the 'Group') covering:

- the teaching and research activities of the University (the 'Academic University') and its subsidiary companies;
- Cambridge University Press & Assessment (the 'Press & Assessment') and its subsidiary companies, joint ventures, and associates;
- The 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; and
- the Gates Cambridge Trust and the Cambridge Commonwealth, European and International Trust (the 'Associated Trusts'), and other subsidiaries of the Group not included in other segments that undertake activities, which, for legal or commercial reasons, are more appropriately carried out by limited companies.

Further detailed information about the finances and operations of the Press & Assessment is given in the published annual reports of that entity. The Press & Assessment is a constituent part of the corporation known as the Chancellor, Masters and Scholars of the University of Cambridge. The Press & Assessment's primary work is the conduct and administration of examinations in schools and for persons who are not members of the University, and operation of the University's publishing house, dedicated to publishing for the advancement of learning, knowledge, and research worldwide.

The Associated Trusts are separately constituted charities. They are deemed to be subsidiary undertakings of the University since the University appoints the majority of the trustees for each Trust. The purpose of these Trusts is to support the University by enabling persons from both within and outside the United Kingdom to benefit from education at the University through the provision of scholarships and grants.

The financial statements should be read in conjunction with the Annual Report of the Council and the Annual Report of the General Board to the Council for the 2023–24 academic year (*Reporter*, 6762, 2024–25, p. 152). 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 financial position of the core teaching and research activities of the Academic University may be seen more clearly in the Financial Management Information published in the *Cambridge University Reporter* (see https://www.governance.cam.ac.uk/committees/finance-committee/Pages/FMI.aspx). The Group considers the best measure of underlying recurrent operating performance to be the adjusted operating surplus/(deficit) for the year shown in Appendix 1 (p. 377). The Group defines this as Reported Surplus less gains or losses on revaluation of investments, fair value adjustment for the CPI-linked bond, change in USS deficit recovery provision, donations, endowments and capital grant income, and adding the CUEF income on a distribution basis. This adjusted measure provides a meaningful, consistent measure of the Group's performance.

The current year has seen a continued increase in activity levels across the Group, albeit that the path of growth has continued to vary across the Group's large number of different activities. Overall revenues have increased by 4% during the year, substantially driven by continued increases in the Press & Assessment activity, unregulated tuition fees, increased donations and endowments and Investment income. Operating costs (adjusted for non-cash items such as the USS deficit recovery provision and revaluation of the CPI-linked bond) have increased by 5%, primarily as a result of increased Estates and other operating expenditures, in both staff and other operating costs, in the Academic University, and increased Press & Assessment activity. The impact of continuing inflation has been seen across a broad spectrum of the Group's cost base.

Total income is higher year on year with an increase of 4% compared to 2023, driven by increases in all categories except funding body grants. Higher income in the Press & Assessment and increased tuition fees and education contracts, donations and endowments, and investment income are the primary drivers, with smaller increases in other income, and research grants and contracts income.

Table 1

Summary statement of comprehensive income	**2023–24 £m**	2022–23 £m	Change %
Income	**2,631**	2,518	4%
Expenditure excluding non-cash USS pension and CPI bond adjustments	**(2,601)**	(2,479)	5%
Non-cash USS pension and CPI-bond adjustments*	**357**	161	
Surplus before other gains and losses and share of surplus of joint ventures and associates	**387**	200	94%
Loss on disposal of fixed assets	**(1)**	–	
Gain on investments (net)	**346**	4	
Taxation	**(6)**	(5)	
Surplus for the year	**726**	199	265%
Actuarial gain	**99**	286	
Loss on foreign currency translation	**–**	(6)	
Total comprehensive income for the year	**824**	479	74%

Adjusted operating surplus for the year	**2023–24 £m**	2022–23 £m
Surplus for the year (as above)	**726**	199
Less: Gain on investments	**(346)**	(4)
Less: CPI-linked bond fair value adjustment	**(13)**	(85)
Less: USS pension deficit recovery reflected in staff costs	**(344)**	(75)
Less: Donation, endowment and capital grant income	**(190)**	(182)
Add: CUEF income (distribution basis)	**152**	138
Adjusted operating deficit for the year**	**(16)**	(10)

Reconciliation to Academic University adjusted operating deficit	**2023–24 £m**	2022–23 £m
Adjusted operating deficit for the year (as above)	**(16)**	(10)
Less: the Press & Assessment adjusted operating surplus	**(175)**	(133)
Less: Trusts and other adjusted operating deficit	**7**	32
Less: CUEF operating deficit	**10**	6
Add back: the Press & Assessment contribution to Academic University	**64**	39
Other consolidation adjustments	**5**	(7)
Academic University adjusted operating deficit (Table 2)	**(105)**	(73)

* Includes the non-cash credit relating to the USS deficit recovery provision of £344.3m (2023: £75.2m) related to the 2023 scheme valuation, and the positive impact of an unrealised non-cash credit of £13.2m (2023: £85.4m) related to the fair value adjustment to the CPI-linked bond.

** See Appendix 1 (p. 377) to the financial statements for further details.

Totals in the table above may not cast or cross-cast due to rounding.

The Group reported a surplus for the year of £726.1m (2023: £198.9m). The surplus is £527.2m higher than last year primarily reflecting the following:

- A significant non-cash credit of £344.3m (2023: £75.2m) relating to the USS scheme deficit recovery provision, based on the 2023 scheme valuation.
- Materially increased net gains on investments (other investments and investment property) of £346.4m (2023: £3.9m). Significant contributions included gains of £285.0m from the CUEF (2023: £83.8m), and from the Cambridge Multi-Asset Fund (CMAF) of £50.5m (2023: £12.1m). There were also smaller gains from Spin-out companies and other securities of £6.0m (2023: loss of £26.9m) and current asset investments of £7.3m (2023: loss of £2.6m). Investment property valuations were relatively stable with a revaluation loss of £2.4m, compared with a loss in 2023 of £62.5m which was primarily as a result of changes in key worker housing ratios and increasing build and infrastructure costs at the Eddington development.
- A fair value adjustment relating to the CPI-linked bond amounting to a credit of £13.2m (2023: £85.4m).
- An overall increase in the underlying cost base of the Group ahead of the increase in recurring revenues (excluding restricted endowments and donations, including those for multi-year programmes and capital donations).

Group total comprehensive income for the year is £823.6m (2023: £479.0m), which results from the surplus of £726.1m, and £98.6m of actuarial gains (2023: £286.4m), derived from the Group's defined benefit pension schemes, primarily reflecting the impact of changing demographic assumptions during the year, and a higher return on scheme assets.

Unrealised gains/losses on investments, fair value adjustment of the CPI-linked bond, actuarial gains and losses on pension schemes and donations, endowments and capital grant income will continue to fluctuate from year to year over time. These effects are demonstrated in the historical trend data (see Appendix 1). The University considers a meaningful, reliable measure of underlying recurrent operating performance to be the adjusted operating surplus/(deficit) for the year, being the surplus for the year adjusted for gains and losses on investments, the CPI-linked bond fair value adjustment, the change in USS pension deficit recovery provision, donations, endowments, and capital grant income, and the CUEF income on a distribution basis. The Group had an increased adjusted operating deficit this year, largely as a result of the changes in income and expenditure described later in this review. The Academic University's operating cash flows are supported by the element of CUEF distributions funded from long-term capital growth, subsidising the deficit on core teaching and research activities.

Investment by the Group in its capital infrastructure continued during the year, with £171.6m (2023: £177.4m) invested in fixed assets, software, and investment property over the period. The overall investment programme activity remains largely on track during the year.

On a Group basis, the underlying 2024 financial operating performance was satisfactory. The significant cost pressures evident in the prior year have continued this year and will require careful management in the higher cost environment in which the Group now operates. Management regard the most representative measure of underlying performance to be the adjusted operating deficit for the year of £15.7m (2023: £9.5m) reflected above and in Appendix 1 to the financial statements.

Segmental analysis

The consolidated position comprises four main segments: (i) core academic activities of the Academic University; (ii) the assessment and publishing activities carried out by the Press & Assessment; (iii) 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; and (iv) the combination of smaller entities including the associated trusts and subsidiary companies not included in the other segments. Within the Group, there are a number of intra-group transactions, principally the financial and other support from the Press & Assessment and the CUEF distribution from capital growth. Table 2 gives segmental information, which is considered in further detail in Note 19 to the financial statements.

2023–24

Table 2	**Academic University 2024 £m**	**The Press & Assessment 2024 £m**	**CUEF 2024 £m**	**Trusts and other 2024 £m**	**Elimination and adjustments* 2024 £m**	**Total 2024 £m**
Income**	**1,696**	**1,047**	**31**	**170**	**(313)**	**2,631**
Expenditure	**(1,306)**	**(832)**	**(41)**	**(158)**	**93**	**(2,244)**
Surplus / (deficit) before other gains and losses and share of surplus of joint ventures and associates	**390**	**215**	**(10)**	**12**	**(220)**	**387**
Loss on disposal of fixed assets	**(1)**	–	–	–	–	**(1)**
Losses / (gains) on investments (including CUEF gain)	**151**	**27**	**312**	**12**	**(156)**	**346**
Taxation	–	**(6)**	–	–	–	**(6)**
Surplus for the year* **	**540**	**236**	**302**	**24**	**(376)**	**726**
Gain on investments	**(151)**	**(27)**	**(312)**	**(12)**	**156**	**(346)**
Less: CPI-linked bond fair value adjustment	**(13)**	–	–	–	–	**(13)**
Less: USS pension deficit recovery provision	**(303)**	**(34)**	–	**(7)**	–	**(344)**
Less: Donation, endowment, and capital grant income	**(178)**	–	–	**(12)**	**(1)**	**(190)**
Add: CUEF income (distribution basis)	–	–	**152**	–	–	**152**
Adjusted operating (deficit) / surplus for the year **	**(105)**	**175**	**142**	**(7)**	**(221)**	**(16)**

2022–23

	Academic University 2023 £m	The Press & Assessment 2023 £m	CUEF 2023 £m	Trusts and other 2023 £m	Elimination and adjustments* 2023 £m	Total 2023 £m
Income**	1,589	1,015	21	172	(278)	2,518
Expenditure	(1,337)	(873)	(27)	(189)	108	(2,318)
Surplus / (deficit) before other gains and losses and share of surplus of joint ventures and associates	252	142	(6)	(17)	(171)	200
Losses / (gains) on investments (including CUEF gain)	(110)	6	92	(32)	48	4
Taxation	–	(5)	–	–	–	(5)
Surplus for the year* **	142	143	86	(49)	(123)	199
Less: Loss / (gain) on investments	110	(6)	(92)	32	(48)	(4)
Less: CPI-linked bond fair value adjustment	(85)	–	–	–	–	(85)
Less: USS pension deficit recovery provision	(73)	(3)	–	1	–	(75)
Less: Donation, endowment, and capital grant income	(166)	–	–	(16)	–	(182)
Add: CUEF income (distribution basis)	–	–	138	–	–	138
Adjusted operating (deficit) / surplus for the year **	(73)	134	132	(32)	(171)	(10)

* Includes elimination on consolidation of the Press & Assessment transfers, CUEF distribution from capital growth, and other consolidation adjustments.

** Income includes distribution from CUEF as income, which is eliminated at consolidated level.

*** Surplus for the year for the Press & Assessment is before distribution to the Academic University.

Totals in the tables above may not cast or cross-cast due to rounding.

Income

The Group's income increased by £112.4m (up 4%) from £2,518.3m to £2,630.7m. The Group has diversified sources of revenue providing operational stability with a compound growth of 5.7% over a rolling 10-year period. The increase this year has come from the continued growth in examination, assessment and publishing services, with an increase of £25.8m (3%) during the year, reflecting continued growth in the business since the merger of the Press and Assessment businesses in 2021. Donations and endowment income, other income, and investment income have also increased significantly, with smaller increases in tuition fees and research grants and contracts income. Funding body grants have fallen by 2%.

- Revenues from examination, assessment and publishing services (comprising the majority of revenues from the Press & Assessment) represent the largest source of Group income, and in aggregate totalled £1,016.8m (2023: £991.0m), which amounts to 39% of total Group revenues for the year.
- Sponsors of research projects represent the second largest source of income for the Group. Research grants and contracts increased by 2% this year to £583.3m (2023: £569.5m). The increase has mainly come from higher funding from Research Councils, which increased by 9%, or £15.6m, to £188.4m, with smaller changes in other funder groups broadly offsetting each other.
- Tuition fees and education contracts totalled £415.3m (2023: £390.1m), up 6%, principally due to increases in non-regulated fees.
- Funding body grants from the OfS and Research England decreased by 2% to £202.5m (2023: £207.6m), the majority of which related to recurrent research grants and grants for capital expenditure.
- Other income of £188.5m (2023: £178.0m) increased this year, with higher revenues from residences, catering, conferences, and a continued recovery in revenues from the Group's various non-core activities related to academic departments.
- Donations and endowments received were £150.2m (2023: £132.4m), with the increase primarily due to significantly increased new academic university endowments, which increased to £38.3m from £10.5m the previous year, and recognition of the Dell Corporation equipment donation for the Dawn AI supercomputer. This was offset by lower restricted donations for multi-year projects, and reduced donations of heritage assets during the year of £6.5m (2023: £19.1m).
- Investment income increased to £74.1m from £49.7m in 2023, primarily as a result of increased income from short-term and fixed-rate deposits, with the impact of increased interest rates having impacted in full this year, and only part of the previous year. Investment income from the CUEF also increased significantly.

Examination, assessment and publishing services

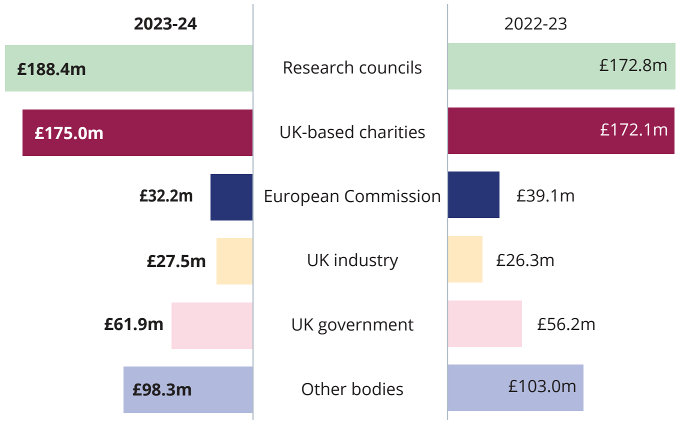
The Press & Assessment carry out examination and assessment services through its three exam boards: Cambridge Assessment English, Cambridge Assessment International Education, and Oxford Cambridge and RSA Examinations (OCR). Publishing services incorporate income from the sales of educational and scholarly books, e-books, journals, applications, and related services through its three publishing groups: Academic (research books, advanced learning materials and reference content as well as journals); Cambridge English Language Teaching (materials for both adults and students); and Education (teaching materials for schools and advice on educational reform). Total examination, assessment and publishing income in the year to 31 July 2024 increased by 3% to £1,016.8m as noted above, representing continued solid growth post the merger of the Press and Assessment businesses in 2021.

Research

The Group's research income increased to £583.3m from £569.5m in the previous year. The increase has mainly come from higher funding from Research Councils, which increased by 9%, or £15.6m. In other categories, there were small percentage increases in UK Industry, UK-based charities and UK Government offsetting a fall of 18% in funding from the European Commission.

The University receives recurrent funding from the UK government in the form of grants for teaching, research, and other activities. The University was also allocated £139.9m (2023: £141.5m) of Quality-Related (QR) funding, representing 7.1% (2023: 7.2%) of the overall grant award for England.

Research grants and contracts



Donations

The University receives benefactions and donations from a variety of sources including trusts and foundations, corporations, and individuals (both alumni and non-alumni). The total given for donations and endowment income recognises all new endowments, donations for capital in respect of heritage assets, and other restricted and unrestricted donations available for current spend.

In aggregate over the year ended 31 July 2024, donations and endowment income totalled £150.2m (2023: £132.4m). Whilst the level of donations available for unrestricted purposes was slightly below the previous year, there was a significant increase in new academic university endowments, which increased to £38.3m from £10.5m the previous year. This was offset by lower restricted donations for multi-year projects, primarily due to lower donations for the Mastercard Foundation Scholars programme, and reduced donations of heritage assets during the year of £6.5m (2023: £19.1m). Dell Corporation also made an equipment donation for the Dawn AI supercomputer, the estimated fair value of which was recognised as income in the current year.

The Academic University continues to see increasing benefits from the dedicated team of development professionals, working in alignment with the University's priorities in raising endowment and investing in cutting-edge research, scholarships, and facilities. In July 2022, the *Dear World, Yours Cambridge* Campaign for the University and Colleges concluded, raising a total of £2.217bn in commitments. With reference to international competitors' philanthropy programmes, the University continues to develop the potential to grow donations, with enhanced alignment to academic priorities.

Investment income

Investment income is an important component of the University's funding mix generated by the Group's financial investments, in particular the CUEF and from current asset investments (deposits and money market investments). During the year, the Group invested a further £150m in the Cambridge Multi-Asset Fund (CMAF), which is intended to provide greater returns than deposits and money market investments, whilst maintaining high levels of liquidity for funds intended for operational use, over the medium term. The Group has reported investment income of £74.1m (2023: £49.7m).

Other investment assets (excluding CUEF assets) generated income of £43.1m during the year (2023: £29.1m), mainly from cash and money-market deposits. The majority of the University and Group's current asset investments are invested in the deposit pool. This pool is managed by the Group Treasury according to guidelines on diversification, exposure, and credit quality as agreed by the Finance Committee. The investments are principally short-term deposits with banks and similar institutions. The year on year increase in income is primarily due to the impact of the Bank of England base rate, which impacts institutional cash and money market deposit rates, being at 5.00–5.25% for the full year, compared to the prior year where rates climbed progressively from 1.25% at the start of the year to 5.00% by the end.

Investment income from the CUEF also increased from £20.6m to £31.0m.

Other income

The Group generates significant other income including property rentals, contributions from health and hospital authorities, residences, catering and conferences, other activities linked to academic departments (for example, the Cambridge Institute for Sustainability Leadership) and income from intellectual property managed, primarily, through Cambridge Enterprise Limited. Total other income of £188.5m (2023: £178.0m) has increased this year, primarily as a result of continued recovery in residences, catering and conferences, and other activities linked to academic departments.

Expenditure

The Group's headline total expenditure of £2,243.7m (2023: £2,317.9m) was £74.2m lower than the prior year. However, excluding the non-cash impacts of significant adjustments to the USS deficit recovery provision and the fair value adjustment related to the CPI-linked bond described on page 296, expenditure was £2,601.2m (2023: £2,478.5m), an increase of £122.7m (5%) compared to the prior year.

Expenditure excluding the USS deficit recovery provision adjustment, and the fair value adjustment related to the CPI-linked bond, comprises staff costs (including research) of 45%; other operating expenses of 48%; depreciation and amortisation of 6%; and interest and other finance costs of 1%. The main changes compared to 2023 levels reflect the following:

- Staff costs increased by 7% to £1,171.0m (2023: £1,095.8m). The increase is substantially due to a mix of an increase in staff numbers, with full-time equivalent (FTE) staff increases of approximately 4–6% across the Group's operating segments, and pay increases, both relating to the national higher education pay settlement and increases in pay for staff working in the Group's commercial activities.
- Other operating expenses increased by 4% to £1,245.1m (2023: £1,197.7m), reflecting increased costs in the Academic University (primarily Estates and buildings, travel and transport, and IT services and equipment), and to a lesser extent the Press & Assessment (increases in both cost of sales and other operating costs, related to the increase in income described on page 298).
- Depreciation and amortisation has increased from £136.4m to £151.6m.
- Excluding the CPI bond fair value adjustment, Interest and other finance costs of £33.5m (2023: £48.6m) mainly comprise Interest payments on bonds of £21.2m (2023: £21.1m) and other interest costs, primarily relating to non-cash interest on pension liabilities of £11.8m (2023: £26.3m), which has decreased due to the impact of favourable movements in bond yields on scheme discount rates.

Cash flow and financing

During the year, the net cash outflow from operating activities after taxation of £58.3m was significantly adverse to the prior year (2023: inflow of £26.0m). Much of the outflow relates to working capital, where there was an outflow of £63.1m, compared to an outflow of £41.7m in 2023. Movements in both debtors (in both the Academic University and the Press & Assessment) and creditors (primarily research received in advance in the Academic University) contributed to the position.

A significant driver of the adverse variance resulted from the operating cost base (excluding non-cash items) of the Academic University rising significantly faster than operating income, contributing to the increased adjusted operating deficit noted in Table 2 on page 297, partly offset by the increased surplus generated by the Press & Assessment. The activities of the Press & Assessment further the mission of the University in important ways and provide significant sources of funds for the Academic University. In the financial year to 31 July 2024, the Press & Assessment produced an increased surplus (before contribution to the University) of £235.8m (2023: £143.2m), although the current year included a material non-cash credit adjustment relating to the USS pension scheme deficit recovery provision of £34.4m. Routinely, 30% of these surpluses are transferred to the University and used towards funding capital expenditure and academic investment, alongside donations, grants, and a continued draw on University unrestricted resources.

The net cash inflow for the Group was £216.5m (2023: outflow of £209.6m), driven by net cash outflows from operating activities after taxation as noted above of £58.3m, cash inflows from investment activities of £219.3m (2023: outflow of £237.3m) and inflow from financing activities of £55.5m (2023: inflow of £1.7m). The inflow from investment activities relates primarily to an increase in CUEF cash balances from movements between investment assets and cash and of £213.2m, net disposals of other current assets (primarily money market funds with greater than three months duration at inception) of £146.6m, capital grants and donations income of £52.2m, offset by fixed and intangible asset purchases of £144.3m and a further investment of £150m into the Cambridge Multi Asset Fund (CMAF). The inflow from financing activities is primarily related to new endowment income of £38.3m and further secured borrowings of the CUEF of £36.9m, net of bond interest payments of £21.0m.

Net assets

The following table shows the movement in Group net assets analysed into its main segments:

Table 3	Academic University 2024 £m	The Press & Assessment 2024 £m	CUEF 2024 £m	Trusts and other 2024 £m	Elimination and adjustments 2024 £m	Total 2024 £m
Net assets at 31 July 2023	**5,663**	**961**	**4,087**	**556**	**(4,099)**	**7,168**
Surplus / (deficit) for the year before tax	**540**	**242**	**302**	**24**	**(376)**	**732**
Taxation	–	**(6)**	–	–	–	**(6)**
Surplus for the year (Table 2)	**540**	**236**	**302**	**24**	**(376)**	**726**
Actuarial gain	**85**	**13**	–	–	–	**99**
Loss on currency translation	–	**(1)**	–	–	–	**(1)**
Transfers	–	**(64)**	**(103)**	**(10)**	**177**	–
Net assets at 31 July 2024	**6,288**	**1,145**	**4,286**	**570**	**(4,298)**	**7,991**

Totals in the table above may not cast or cross-cast due to rounding.

The Group's net assets totalled £7,991.0m at 31 July 2024 (2023: £7,167.7m). Total comprehensive income of £823.6m (2023: £479.0m), comprising the majority of the increase in net assets, is described on page 296.

Fixed assets

The University has continued to deliver its capital investment programme, focusing on maintaining and enhancing its facilities and infrastructure in order to safeguard its position as a global leader in education and research. However, cash generated from the University's own operational activities continues to be insufficient to deliver significant elements of the programme. For this reason, philanthropy and other sources of capital funding, including contributions from the Press & Assessment, are critical to the future programme's success.

During the year, fixed asset additions for the Group were £111.1m (2023: £113.9m), with capital expenditure on Land and Buildings of £52.2m (2023: £73.5m), and further capitalisation of £58.9m (2023: £40.4m) on equipment. The University continues to complete the extensive capital investment programme of the last few years and focus on developing a sustainable mid- and long-term programme of investments in buildings, people, and infrastructure. The most significant land and buildings expenditure during the year related to completion of the new Cavendish III national laboratory facilities and the extension and upgrade to the Whittle Laboratory. These projects constituted 58% of the capital expenditure on Land and Buildings.

The University's estates strategy is continuing to reshape the City. Focused on the major campus areas of West and North West Cambridge, the Biomedical Campus, and the City Centre, the estates strategy is supporting both continued academic excellence and the development of housing, transport, and childcare facilities for staff and their families. The University continues to develop its site at Eddington (formerly North West Cambridge), with Phase 1 now complete, and work continues on the options for future phases.

The Group has continued to invest in Intangible assets during the year, with capitalised expenditure of £50.5m (2023: £52.0m), the majority of which relates to software development in both the Press & Assessment, and Research, HR and Finance transformation programmes in the academic university.

Cambridge University Endowment Fund (CUEF)

The CUEF is an investment vehicle, which enables the University to pool assets held on trust and invest them for the very long term, gaining from scale, diversification and professional management. The CUEF is managed by University of Cambridge Investment Management Limited ('UCIM') under investment and distribution policies set by the Cambridge University Endowment Trustee Body ('CUETB') with input from its Investment Advisory Board. The CUEF is open to the University and to the Colleges and charitable trusts associated with the University. At 31 July 2024, there were sixteen College and five Trust investors.

The CUEF aims to preserve and grow the value of the perpetual capital of its investors, while providing a sustainable income stream. The investment strategy of the CUEF is primarily to invest through specialist, third-party fund managers in order to access the various asset types and geographies that the Fund targets. A central tenet of the strategy is that well-directed active management allows unconstrained investors with long-term investment horizons to outperform passive investments over time, net of fees.

This contention has been supported by Fund performance over the life of the CUEF and aims to enable CUEF to meet its long-term return objective of the UK Consumer Prices Index (CPI) +5%, net of fees, to fund distributions to investors of around 4% of the net asset value per year. The distribution policy is based on underlying capital values, ensuring the distribution is directly linked to the performance of the Fund.

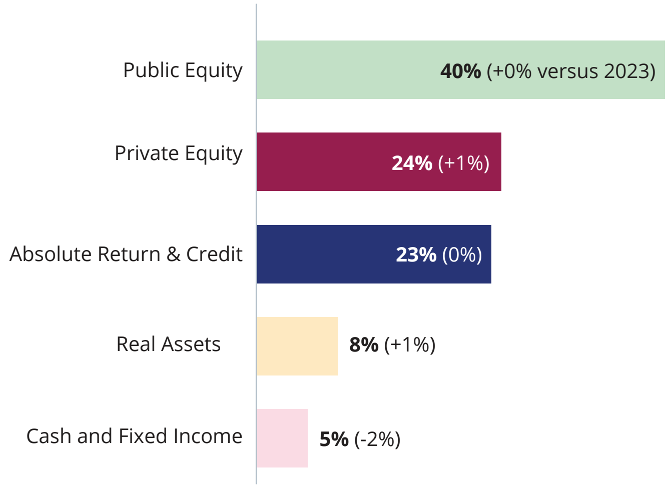
At 31 July 2024, the net asset value of the CUEF was £4,285.9m (2023: £4,087.2m) of which £3,906.7m (2023: £3,735.9m) is attributable to the Group.

Asset allocation

The Fund is diversified over five broad asset classes: Public Equity, Private Equity, Absolute Return & Credit, Real Assets, and Fixed Interest/Cash. Due to this diversification, the annualised volatility of the Fund has been approximately 60% of the MSCI All-Country World Equity Index ex-fossil fuels ('ACWI ex-fossil fuels') since 1 July 2020 as measured in Sterling. Direct investment by the Fund is modest and primarily focused on positions held to maintain an appropriate level of broad market exposure. These may include, from time to time, real estate, equity index positions, exchange traded funds, and instruments for the management of the Fund's foreign exchange hedge programme.

The asset allocation and investment selection in the Fund is aimed at optimising the expected long-run total return, bearing in mind expected future volatility. The CUEF's asset allocation as at 30 June 2024 is shown below. Over the course of 2024, allocations to Private Equity and Real Assets have increased in comparison to 2023; and allocation to Cash and Fixed Income has decreased.

Asset allocation



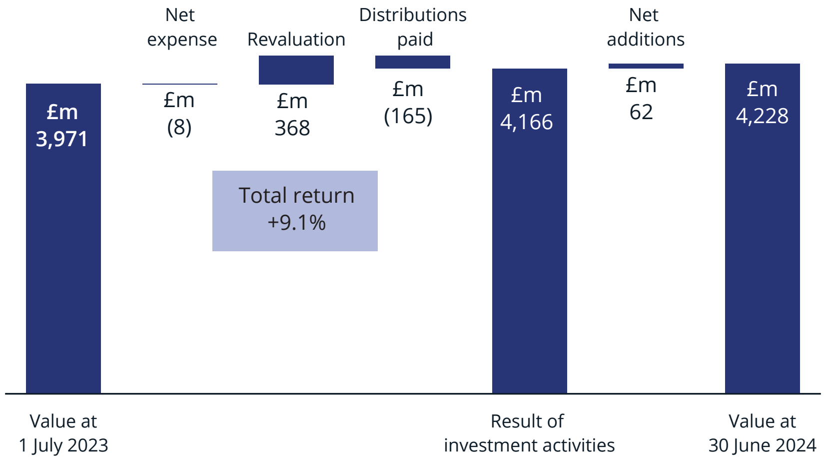
Performance

The CUEF's financial year ends on the 30 June. For this financial year ended 30 June 2024, the CUEF delivered a net return of +9.1% (2023: +4.1%), which is 2.0% above the Fund's absolute target of CPI +5%. Since 1 July 2020, the date at which UCIM's new investment approach was incepted, the CUEF has delivered an annualised return of +8.9%.

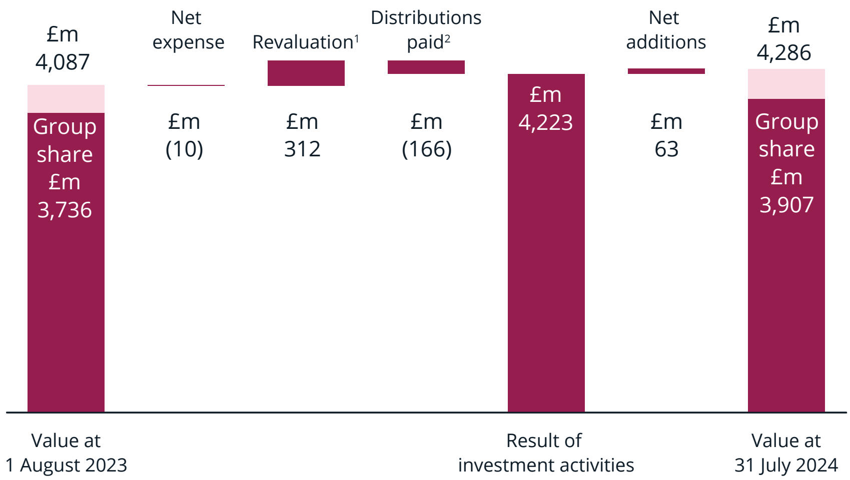
The University's Financial Statements include the CUEF values and gains on investment on a 31 July basis. The overall CUEF movements are demonstrated below.

The University Group's share of the CUEF represents approximately 91% of the total of £4,285.9m at 31 July 2024.

CUEF Fund Performance year to 30 June 2024



CUEF as reported year to 31 July 2024



References:

[1] Group share (Note 23) £285m.

[2] Group share (Note 12) (£152m).

Sustainability

UCIM has continued to make encouraging progress towards its ambition of net zero greenhouse gas emissions from the CUEF portfolio by 2038, in line with the broader operational ambitions of the University.

The aim is to achieve this goal with a three-pronged strategy of:

- investing in renewable energy development and divesting meaningful* exposure to fossil fuels by 2030;
- engaging with the CUEF's fund managers; holding them to account on reducing carbon emissions in their portfolios; and
- reporting regularly to stakeholders on progress against these aims.

* UCIM defines 'meaningful' as 0.5% of the portfolio or less.

Highlights in the year include:

- Development of new and enhanced frameworks to assess third-party asset managers' sustainable investment activities, including a new framework to evaluate absolute return and credit managers and a substantial piece of research on voting and engagement best practice in public equities.
- Eight fund managers attended a bespoke executive education programme, in partnership with the Cambridge Institute for Sustainability Leadership ('CISL'), focused on providing the frameworks and tools for them to reduce emissions from their portfolios. Following this cohort, 26 firms have completed the programme, representing approximately 40% of the net asset value of the CUEF. A fifth cohort is planned for 2025.
- As a result of UCIM's engagement, a number of fund management partners have improved their sustainable investment policies and activities, more managers are measuring and reporting emissions from their portfolios, and one manager has accelerated its net zero ambition from 2050 to 2038, to align itself with the CUEF.
- UCIM further increased its level of engagement with University stakeholders, to improve awareness and understanding of UCIM's sustainable investment strategy, including the Student Union, Green Officers, CUDAR, academic and other departments supported by the CUEF, as well as continuing to hold an annual, open 'Town Hall' event.
- The fourth year of the paid, six-week summer internship programme, for two University of Cambridge undergraduates to work on sustainable investment projects with UCIM's investment team, was successfully completed.

Further information about the CUEF is available on the UCIM website: https://www.ucim.co.uk/.

Other investments

Some long-term investments are held outside the CUEF, amounting to £185.1m (2023: £179.2m). These include other securities, JVs, associates, and equity investments in spin-out companies overseen by the University's technology transfer company Cambridge Enterprise Limited and through its holding in Cambridge Innovation Capital. Investment gains of £6.2m primarily related to Cambridge Innovation Capital and other securities.

During the year, the Group invested a further £150.0m in the Cambridge Multi-Asset Fund (CMAF), which is intended to provide greater returns than deposits and money market investments, whilst maintaining high levels of liquidity for funds intended for operational use, over the medium term. The fund had a value of £607.4m at 31 July 2024 (2023: £406.8m).

Pension schemes

The Group is exposed to the costs and risks of pension schemes, in particular in relation to the Universities Superannuation Scheme (USS). The USS is a multiemployer scheme and Note 36 to the financial statements describes how the scheme is reflected in these statements. Because of the mutual nature of the USS scheme, the University is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by FRS 102, the University, therefore, only recognises a balance sheet liability, where appropriate, in respect of future contributions arising from any agreed Recovery Plan, which determines how each employer within the scheme will fund a deficit where it arises.

The actuarial valuation of the overall scheme as at 31 March 2020 reflected a shortfall of £14.1bn, which was previously mitigated though an agreed Deficit Recovery Plan paid for by all institutions as per an agreed Schedule of Contributions. During the year, the 2023 actuarial valuation was finalised, and the resulting surplus of £7.4bn has led to the removal of the obligation to make deficit recovery contributions effective from 1 January 2024. As a result, the Group derecognised the brought forward provision of £348.9m in full during the year.

The Group has three other major schemes: the Cambridge University Assistants' Contributory Pension Scheme (CPS) for University assistant staff and two defined benefit schemes for staff of the Press & Assessment.

These schemes, being single-employer schemes, are included in the financial statements in accordance with FRS 102 requirements for defined benefit scheme pensions accounting.

The CPS is a hybrid-defined benefit scheme, with a defined contribution component. The scheme remains open to new joiners and future accrual. The triennial valuation of the CPS at 31 July 2021 showed a significantly improved position, and the scheme is now in a surplus position of £17.8m (2023: deficit of £62.6m) for FRS 102 reporting purposes. The majority of the improvement is as a result of the impact of changing demographic assumptions during the year, and a higher return on scheme assets.

The University has recognised an asset in relation to the surplus position as the scheme is open to new members and accrual for existing members, and the University is able to recover the surplus through reduced future contributions. Since 2011, additional employer contributions of £14.6m p.a. have been made, but it was agreed that there would be no additional contribution during the year from 1 August 2023 to 31 July 2024.

The Press & Assessment defined benefit schemes are closed to new joiners and, following the triennial valuation of the two UK schemes as at 1 January 2022, show a substantially improved deficit position. Under FRS 102, the schemes are in a small, combined deficit position of £3.6m (2023: £16.8m).

Finally, there is a modest net pension asset recognised of £0.9m (2023: £0.8m) in respect of other pension schemes, including the Press & Assessment US schemes which have net assets of £2.7m (2023: £2.2m) and the Local Government Pension Scheme for staff who are employed through the University's primary school. Pensions are discussed further in Note 36 to the financial statements.

The Group's current service costs and deficit-recovery contributions (including the USS provision decrease) as reflected through staff costs were a credit of £195.3m (2023: charge of £78.4m). Excluding the non-cash adjustment to the USS provision, costs were £149.0m (2023: £181.4m), with the reduction primarily as a result of the fall in USS employer contributions effective from 1 January 2024 and reduced service costs for the CPS scheme.

Long-term borrowings

In 2012, the University issued £350m of 3.75% unsecured bonds due in October 2052. The bonds are listed on the London Stock Exchange. The net proceeds of the issue (£342m) were applied in the University's investment in the Eddington development.

In 2018, the University secured additional external finance, providing the University with options to further develop its non-operational estate (that is, projects outside those directly enabling core academic teaching and research activities). The University raised £600m in unsecured external finance through two tranches:

- £300m 60-year (2078) bullet repayment fixed-rate bond at coupon 2.35% p.a.
- £300m 50-year (2068) CPI-linked bond at coupon 0.25% p.a., amortising from year 10 and capped at 3% and floored at 0%.

As at 31 July 2024, the Group had outstanding bond liabilities totalling £824.5m (2023: £837.4m).

Over time, proceeds from the bonds will provide added flexibility in the continuing support of the University's academic mission and furthering the interests of our students through the development of income-generating projects in the non-operational estate, including further strategic housing.

Such income-generating projects are of high strategic importance; they deliver significant indirect benefits essential to the University's primary mission, while also addressing the critically important housing challenge, providing alternative income streams at a time of significant financial volatility.

The Group's net debt as at 31 July 2024 was £84.2m (2023: £1.0m) (see Note 42). This includes the cumulative non-cash fair value re-measurement of the CPI-linked bond at the balance sheet date of credit £113.5m (2023: £100.3m). This will move year on year depending on volatility in the bond markets, so a more reflective position of the Group's underlying net debt position is an adjusted net debt of £242.6m (2023: £136.1m), taking into account the cumulative fair value remeasurement described above, and the accretion in the value of the CPI-linked bond of £44.9m from inception. The change during the year is materially impacted by the investment of Group funds into the CMAF (£150.0m) during the year. Please refer to Appendix 1 for more information.

Financial outlook

The University remains confident of its long-term financial sustainability. At a time of significant financial pressure in the UK Higher Education Sector, the University's reputation, diverse income streams and strong and liquid balance sheet means that it is well positioned to manage the pressure. Nonetheless, within the academic university, the high levels of recent inflation and lack of equivalent growth in tuition fees and funding body grants mean that costs have risen faster than revenues, thereby reducing funds available for investment. The University is continuing in its efforts to achieve efficiencies in the short and medium term to free up funds for investment to allow it to remain a world leading institution.

Tuition fee income is expected to grow modestly, reflecting a gradual increase in the number of postgraduate students paying international fees and a rise in unregulated fee levels. The rise in the regulated home fee level from £9,250 to £9,535 will make a small contribution to overall growth, but this amount would still represent less than half of the underlying cost of providing Cambridge's unique student experience.

Research grants and contracts income recognised is expected to continue its recovery to pre-pandemic levels as current multi-year grant awards are completed. However, the University continues to compete in a highly competitive market, and the long-term trajectory continues to depend on levels of Government funding for research, supported by the University's very strong performance in the last Research Excellence Framework and continued strong rankings. Block grants for funding from UKRI are not expected to increase to match inflation.

Cambridge University Press & Assessment has seen a further strong business performance during the year with total revenues of over £1bn. The outlook for this business remains highly dependent on the global economy, the levels of international interest in learning and certification in English, and the use of international curricula in schools around the world. Prospects also hinge on the continued development of digital delivery capabilities in an increasingly competitive market.

Costs across the University Group rose sharply in 2023 and whilst inflation has moderated somewhat, the cost base has continued to increase in 2024, in a continuing elevated inflationary environment. External factors of higher national pay settlements and elevated prices of goods and services are adding to a continued growth in Cambridge's own activity levels, as well as targeted increases in spend on maintenance and renewals across our large physical and IT estates. The increase in employer's National Insurance announced in the UK budget will also add materially to the Group's costs. A small proportion of these additional costs will be offset by the increase in the cap on domestic undergraduate fees. To these costs, we must add the investment needed to meet the University's zero carbon objectives, the costs of which remain to be fully determined. These increasing costs are likely to be offset somewhat by the expected reductions in ongoing energy costs. The University continues to work on pathways towards its commitment to reduce energy-related emissions from its operational estate to absolute zero by 2048.

In order to address the residual cost escalation and to provide additional resources to invest in pay and other priorities, a number of ambitious modernisation and transformation programmes are now underway, which bring significant potential to increase the levels of efficiency and effectiveness of the devolved organisation, notably through a reimagined approach to collective professional services, greater leverage in procurement and purchasing of goods and services, and through improved usage of the physical estate.

The long-term growth objective of the CUEF remains at 5.0% +CPI. However, turbulence in financial markets in response to global events continues to highlight the potential for volatility in short to medium term investment returns.

Risks to future financial performance continue to include economic and mobility concerns resulting from geo-political events; Government actions to address the national deficit and debt; sustained cost inflation; further turbulence in financial markets impacting future CUEF and other investment returns.

Principal risks and uncertainties

The University Council, which is the University's principal executive body, takes primary responsibility for ensuring the University has an effective and balanced enterprise risk management framework in place. Business risk management is at the core of the University's overall system of internal controls and is designed to focus on and mitigate, to every extent possible, the most significant risk events that might adversely or beneficially affect the University's ability to achieve its policies, aims and objectives.

The University is committed to ensuring that it has a robust and comprehensive system of risk management in line with the requirements of the Office for Students, and follows good practice in considering risk appetite in the context of the University's academic mission, seeking to ensure an appropriate balance between risk aversion and opportunity capture. The business risk management approach identifies and appraises risks and opportunities in a systematic manner. Accountability and responsibility for risk mitigation is assigned to management across the devolved organisation. Managers are encouraged to implement good risk management practice across the University. The University makes conservative and prudent disclosure of the financial and non-financial implications of risks.

The Group has a risk management framework overseen by the Audit Committee, for which the Council has the ultimate responsibility. The Academic University and the Press & Assessment have separate risk management policies which are relevant to those entities. The framework is designed to allow the senior leadership team to consider the University's key risks in a meaningful way and within the context of the University's evolving priorities, prior to scrutiny and approval of the University Risk Register through the Audit Committee and Council.

The senior leadership team is responsible for identifying and managing risks across the University's activities. The Council receives reports on the University's risks at least biannually, and seeks assurances over risk management and controls from individuals identified as accountable for risks. The Council has delegated to the Audit Committee the responsibility for reviewing the University's risk management processes to ensure that they are adequate and effective. The Audit Committee considers risk management as a standing item in its meetings to ensure routine monitoring, and will report to the Council on internal controls and alert the Council to any emerging issues as necessary. The Audit Committee also receives an annual opinion from the internal auditors on the adequacy and effectiveness of the University's arrangements for risk management, control and governance , and provides assurance to Council on the adequacy and effectiveness of the University's arrangements for risk management.

This year the internal auditors opinion provided reasonable assurance that the University's arrangements for risk management and governance were adequate and effective. The internal auditors provided limited assurance that the University has an efficient and effective system of internal control on the basis that a larger number of focus areas had been identified through their work where the University is taking steps to further enhance controls. The Audit Committee confirms its assurance to the Council on the adequacy and effectiveness of the University's arrangements for risk management, control, governance and value for money.

In parallel to the risk management framework, the University's senior leadership team have identified a set of University risks. The University Risk Register identifies those risks that are considered to have a fundamental impact on the University's ability to deliver its mission or to operate effectively.

The principal risks and uncertainties of the University are broadly consistent year on year. These risks have potential downstream impacts on a number of the other risk areas identified. The activities of the Press & Assessment are subject to the pressures of international competition. The Press & Assessment balance the need to reinvest sufficient of their operating surplus to thrive with the need to support the University's core academic activities wherever possible.

The University remains comparatively well positioned in the sector to deal with financial risks. While costs across the University Group have risen sharply in the prolonged high-inflationary environment, revenue streams are well diversified, both in terms of revenue line and geographically. These sources of revenue provide significant resilience, as does the strong and liquid balance sheet, enabling the University to manage the unexpected over the short term, and time to make the necessary operating adjustments. The University is undertaking efficiency measures as described on page 304. Furthermore, there are potential additional sources of revenue open to the University, albeit that the University chooses not to maximise surpluses.

Key strategic risk areas identified include:

Risk area	Responses and actions
Reputational and financial impact through failure to meet OfS and other stakeholder expectations for widening student access and ensuring effective participation; student dissatisfaction in the quality of their educational experience; failure to compete with international competitors especially in providing financial support for doctoral students, particularly through failure to obtain funding for Doctoral Training Programmes (DTPs); inadequate support for student mental health and wellbeing; failure to recruit the very best undergraduate and postgraduate students; failure to ensure that educational facilities are of an acceptable standard for a worldclass educational institution.	• Implementation of the actions committed to in the University's Access and Participation Plan agreed with the OfS (2020–21 to 2024–25). • Full engagement with Colleges which are responsible for undergraduate admission decisions. • Implementation of the recommendations of the strategic review of admissions and outreach. • Continued progress in the Student Support Initiative with a particular focus on postgraduate studentships. • International Student Recruitment Strategy. • Support for innovation in methods of teaching and examination. • Implementation of the strategic review of student mental health and wellbeing. • Programme Board for Education Space responsible for improving educational space. • Strategy to support DTPs and Centres for Doctoral Training (CDTs).
Significant downturn in UK and/or Global financial markets leads to reduced financial strength. Combined impact of devalued long-term Investments, reduced endowment distribution levels, deterioration in pension valuations (increasing contribution levels), levels of student applications, particularly from overseas, and reduced sources of revenue and philanthropy. Also further potential impact on staff through UK cost of living crisis and falling real incomes and potential supply chain disruption.	• The University continues to focus on the optimal management of long-term financial sustainability, including stress testing and enhanced contingency planning. • The University is actively exploring opportunities to attract new revenue streams, modernise processes to seek cost efficiencies and ensure its capital programme is fully funded ahead of new commitments being made. • In the near term, the University is undertaking measures to drive operating efficiencies, in order to address the operational deficit in the Academic University ahead of more significant efficiencies expected to be realised through the ongoing transformation programmes. • Over time, more fundamental adjustments to the cost base could be made but would negatively impact on students and research. Likewise capital investment would have to be prioritised on refurbishment over investment. • The University is investing further in its Development and Alumni Relations activities. • The professionally managed CUEF has allocations across a diversified range of asset classes, sectors, styles and geographies with a broad equity focus, designed to optimise returns and be resilient over the long term.
Significant increases in or continued high levels of inflation would result in an increase in the cost base of the University without matching increases in home student and government revenue streams.	• The University will continue to engage with Government directly and through the HE sector to ensure the funding is allocated reflecting inflationary pressures and increased costs of services for the sector. • The University will continue to explore other revenue streams (both in the UK and internationally) with Cambridge University Press & Assessment to ensure the resources are maximised to offset increased costs. • The University will continue to invest in measures to increase the effectiveness and efficiency of its operations to optimise current and future use of resources. • The University will continue to monitor the USS pension scheme funding position, noting the improved position in recent monitoring reports.

Risk area	Responses and actions
Changes to government policy particularly resulting from increased funding pressures related to UK national deficits and debt lead to further cuts in financial support and provision for education.	• The University continues to engage with government directly and through the HE sector to influence policy in support of its education and research mission. The University also continues to diversify its income sources. • The University will continue to ensure REF preparedness across the University to maximise future QR funding opportunities. • The College dimension of education provision is distinctive and successful, but it is costly to deliver. The University continues to review ways of controlling costs, seeking value-for-money gains, and opportunities to develop the mix of students over time, while maintaining the highest quality of education and without compromising on admission standards. • The University will continue to maintain and further develop its strategic relationships with research funders, including charities, Research Councils and industrial funders, and respond to new funding opportunities as they arise.
The Press & Assessment operates in challenging international markets where global economic conditions and competitor activity may adversely impact its financial performance, reducing the funds available for reinvestment in the University's core academic mission. The University has a wide international footprint of activities. International tax laws are narrowing the distinction between supporting activities and permanent establishments, leading to the potential for more overseas activity to become taxable.	• The Press & Assessment is focused on the growing desire from learners, teachers and researchers to engage with Cambridge in a joined up digital way, and reflects the demand for innovative products that combine expertise in learning and assessment. Successfully competing in digital education is key to the Press & Assessment's future success. • The Press & Assessment aims to diversify its product offerings, develop new revenue streams and deepen existing capabilities overseen by a Board with significant commercial expertise. • The University continues to monitor the key risks associated with its combined international activities. • The Strategic Partnership Office coordinates functional due diligence of proposed new international activities. • The University leverages specialist external taxation and legal advice in support of its core internal capabilities.
Increasingly competitive landscape for all forms of **research funding**.	• The University continues to enhance the capabilities and capacity of its Research Office in support of the ongoing processes for grant application and lifecycle management, compliance and enhancement of financial analysis. • The University continues to maintain active communications with key stakeholders (e.g. Research England, UKRI) and to diversify research income, including building on progress with philanthropy. • The University has a growing focus on industrial research collaboration with international partners, focusing on finding solutions to the major global challenges.
Post-Brexit outcomes restrict access to movement and funding of EU students and staff. Reduced access to current levels of EU Research income. Wider economic downturn impacts future sources of revenue and availability of indirect labour and materials, disrupting the capital expenditure programme. Areas of high-risk are: EU research funding, immigration costs, EU student recruitment, student funding and communications.	• The ongoing financial and labour market challenges due to the UK's exit from the EU remain of concern. The University and the HE sector continue to engage with Government on all post-Brexit issues. • Decrease in European Research Council (ERC) funding could still impact the University's research income and its ability to engage leading researchers. • Managing the expectation of research projects due to increased costs of goods and services from EU as well as shortages of skilled labour to deliver these projects.

Risk area	Responses and actions
Inability to attract and retain the best academics and adequately resource professional staff through a failure to compete with escalating levels of international reward levels, growth in the University's complexity and scale, and high costs of living and housing in the Cambridge area.	• The University continues to focus on pensions and pay as key components of a competitive employment proposition, seeking economy, efficiency and effectiveness in its operations to accommodate pay and pension inflation as necessary. • The University implemented part of the 2023–24 sector-agreed pay award in February 2023, six months early. The University will continue to monitor, and where appropriate address, the UK cost of living crisis impacting its staff. Further targeted pay measures are under consideration in parallel with the sector-wide national agreements. A package for 2024–25 has been agreed as the first step in a multi-year plan to improve pay and grading structures. Initial steps include a 2.5% supplement for staff on lower pay spine points. • The University is also focusing on the provision of transport, nursery schooling and housing, with the Eddington development designed to ease pressures. • The University continues to work with the sector to ensure long-term and attractive pension schemes including the USS. • The University is offering a flexible working environment.
Significant data breach, failure to comply with GDPR, or **major information security event** (cyber security) leads to loss of confidential/commercially sensitive information or failure of IT infrastructure.	• The University has invested resources to understand its data assets and the security landscape across a devolved institution, and to enable assessment of the risks associated with loss of confidential and commercially sensitive information. • The University has developed and is implementing an updated Cyber Strategy to deliver enhanced security controls across the University, noting that this is a challenge in more devolved areas of control and in an environment of increased and changing threats. • Further to specific cyber incidents during the year, the opportunity has been taken to accelerate the mandated option of key security measures. • The University has an ongoing programme of cyber risk awareness training and engagement for all staff.
Inadequate long-term **maintenance and development of the academic and non-academic estate** and supporting infrastructure. Failure to develop and protect a fit-for-purpose IT infrastructure due to devolved organisation and associated fragmentation, customisation and local solution development.	• The University has an ambitious capital building programme and is actively sharpening the prioritisation and management of its strategic investments. • The University seeks to optimise available funding through maximising associated capital grants and philanthropic resources and by increasing net operating cash flows. • A comprehensive programme of work is continuing, aimed at tackling the maintenance backlog. Allocated funds for maintenance have been substantially enhanced to enable this work to build momentum. • From a strategic perspective, the Reshaping our Estate programme aims to create a University of Cambridge estate that is more efficient, more effective, more environmentally sustainable and fit for purpose. • The University continues to implement a Digital Workplace programme, with regular reports to the Audit Committee. This will include the adoption of a determined direction of travel to include: consistent and secure infrastructure agnostic of location; appropriate policies and standards for staff to work securely and effectively from any location; and a path to maximise the benefits offered by digital technologies. • Establish appropriate investment levels and the prioritised allocation of resources between the University's digital vs. physical estate.
Failure to maintain adequate risk management of **Health & Safety related risks** and compliance with associated regulations across the distributed University estate and activities leads to personal injury/fatality or significant loss of facilities.	• The University has policies and procedures in place to support appropriate risk management and compliance across the organisation for Health and Safety related risks. However, the devolved nature of the University and diverse nature of associated direct and indirect activities represent a challenge in ensuring full assurance coverage. The University has strengthened its central oversight and governance of health and safety risks, one aim of which is to provide greater visibility of, and therefore assurance around, health and safety matters across the institution.

Concluding remarks

The UK Higher Education sector is facing some significant financial challenges for two principal reasons. Firstly, cost inflation has far outstripped increases in tuition fees and funding body grants for research and teaching. Secondly, many institutions had expanded rapidly based on an assumption of ever-growing international student numbers, and rather than increase in 2024–25, it is likely that many institutions will see a decline. The University is exposed to the first effect but not, to any material extent, the second.

At Cambridge, we benefit from a diversified mix of revenues, and while we have not grown international student numbers and revenues in the past as fast as many other UK institutions, this leaves us less exposed to a downturn. We are fortunate to benefit from continued growth in Cambridge University Press & Assessment, a highly performing endowment and high levels of philanthropy for a UK University. We have also maintained a strong and liquid balance sheet. The University therefore remains in a strong financial position.

Nonetheless, we cannot be complacent. Cambridge has suffered from cost increases exceeding revenue growth within the Academic University increasing its operating deficit and this has necessitated a diversion of resources to meet this deficit that would otherwise have been available for investment. The mission of the University of Cambridge is to contribute to society through the pursuit of education, learning and research at the highest international levels of excellence. Continuing to operate at the highest international levels of excellence requires us to continue to invest in our people and our digital and physical estate, including decarbonisation.

We are therefore embarking on a multi-year programme to modernise our systems and processes to achieve efficiencies and provide more accurate and timely information allowing better decision making within our highly devolved organisation.

We are also close to completing a long-term integrated investment plan that will ensure that as we generate funds for investment, they are used to maximum effect in pursuit of our academic mission.

The University of Cambridge is in a solid financial position and if we can work together to modernise our systems and processes and achieve efficiencies, we can look forward with confidence to leaving the University in a strong position to remain a leading global institution.

Anthony Odgers
Chief Financial Officer

Corporate governance

1. The following statement is provided by the Council to enable readers of the financial statements to obtain a better understanding of the arrangements in the University for the management of its resources and for audit.

This statement relates to the period covered by the financial statements, and the period up to the date of approval of the audited financial statements.

2. The University endeavours to conduct its business in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership). The University complies with the voluntary Higher Education Code of Governance as revised in September 2020 by the Committee of University Chairs.

Under the University's Statutes, the governing body of the University is the Regent House, which comprises some resident senior members of the University and the Colleges, together with the Chancellor, the High Steward, the Deputy High Steward, the Commissary and the external members of the Council. The approval of the Regent House is required for changes to the University's Statutes and Ordinances and for any other matter for which, in Statute or Ordinance, the University's approval must be obtained; the Council and the General Board may also decide to seek the Regent House's approval on questions of policy, which are considered likely to be controversial. The Council of the University is the principal executive and policy-making body of the University, with general responsibility for the administration of the University, for the planning of its work, and for the management of its resources. The Council has a majority of internal members and is chaired by the Vice-Chancellor. Its membership includes four external members, one of whom chairs the Audit Committee (see paragraphs 4 and 7 below). The Statutes provide for the appointment of a Deputy Chair of the Council, normally one of the external members, to take the chair as necessary or when it would be inappropriate for the Vice-Chancellor to do so, in particular in relation to the Vice-Chancellor's own accountability.

The General Board of the Faculties is responsible for the academic and educational policy of the University. The annual reports of the Council and the General Board are published on the University's website and are submitted to the Regent House for comment and approval.

3. The University is an exempt charity and is subject to regulation by the Office for Students (OfS). The members of the University Council are the charity trustees and are responsible for ensuring compliance with charity law.

4. The Council is advised in carrying out its duties by a number of committees, including the Finance Committee, the Audit Committee, the Planning and Resources Committee, the Human Resources Committee, the Remuneration Committee, and the Committee on Benefactions and External and Legal Affairs. The Finance Committee advises the Council on the management of the University's assets, including real property, monies and securities. The Audit Committee, which has a majority of external members, governs the work of the internal and external auditors, reporting on these matters directly to the Council. In addition, the Audit Committee reviews the University's risk management processes to ensure that they are adequate and effective.

The Planning and Resources Committee (PRC) and the Human Resources Committee (HRC) are joint Committees of the Council and the General Board. The PRC's responsibilities include the preparation of the University's budget. The HRC advises the Council on matters concerning equality and diversity and equal and gender pay, providing an annual equality monitoring report, and on the policy framework governing staff-related matters, including the University's policy on public disclosure (whistleblowing). The Remuneration Committee is chaired by an external member of the Council and approves market pay cases, incentive schemes and severance pay cases for senior staff as well as payments to external members of University bodies and committees. It provides advice to the Council on remuneration (including on compliance with the Higher Education Senior Staff Remuneration Code), succession planning and diversity, as appropriate, and it also reviews the University's public disclosures relating to remuneration. The Committee on Benefactions and External and Legal Affairs (CBELA) considers matters likely to have an impact on the reputation of the University, including advising the Vice-Chancellor on the acceptability of donations. The Property Board oversees the development, management and stewardship of the University's non-operational estate, including the commercial developments at Cambridge West and Eddington funded by bond issues. It reports to the Council's Finance Committee. The Press and Assessment Board advises the Council on matters concerning the University Press & Assessment.

5. Under the terms of the OfS' Terms and Conditions of funding for higher education institutions and the Terms and Conditions of the Research England grant between the University and the OfS, the Vice-Chancellor is the Accountable Officer of the University.

6. Under the University's Statutes, it is the duty of the Council to exercise general supervision over the finances of all institutions in the University; to keep under review the University's financial position and to make such reports thereon to the University as determined from time to time by Special Ordinance; to recommend bankers for appointment by the Regent House; and to prepare and publish the annual accounts of the University in accordance with UK-applicable accounting standards such that the accounts give a true and fair view of the state of affairs of the University.

7. It is the duty of the Audit Committee to keep under review the University's risk management strategy and implementation; to keep under review the effectiveness of the University's internal systems of financial and other controls and governance; to advise the Council on the appointment of external and internal auditors; to consider reports submitted by the auditors, both external and internal; to monitor the implementation of recommendations made by the internal auditors; to satisfy itself that satisfactory arrangements are adopted throughout the University for promoting Value for Money (economy, efficiency and effectiveness); to monitor the University's management and quality assurance of data submitted to the OfS and other bodies; to establish appropriate performance measures and to monitor the effectiveness of external and internal audit; to monitor incidences of fraud and other irregularities and their reporting to OfS as appropriate;

to make an annual report to the Council and to receive reports from the OfS and other regulators. Membership of the Audit Committee includes, as a majority, five external members (including the Chair of the Committee), appointed by the Council with regard to their professional expertise and experience.

8. There are Registers of Interests of Members of the Council, the General Board, the Finance Committee, and the Audit Committee, and of the senior administrative officers. Declarations of interest are made via an annual declaration of interests process. In addition, interests that relate to particular agenda items are noted at the start of each meeting. All members of the Council were routinely asked to self-certify against the OfS indicators of a 'fit and proper person' at the beginning of their tenure as trustees. Council members and senior officers are encouraged to have particular regard to the seven principles of public life, supported by the University's management and governance arrangements.

Members of the Council during the year ended 31 July 2024

The Chancellor:
Lord Sainsbury of Turville

The Vice-Chancellor:
Professor Deborah Prentice

Heads of the Colleges:
Professor Dame Madeleine Atkins
Mrs Heather Hancock
Professor Pippa Rogerson (until 15 July 2024)
Sally Morgan, Baroness Morgan of Huyton
Professor Alan Short (from 16 July 2024)

Professors, Clinical Professors, Readers and Professors (Grade 11):
Professor Jason Scott-Warren
Professor Anthony Davenport
Professor Richard Mortier
Professor Sharon Peacock

Other members of the Regent House:
Dr Zoe Adams
Dr Ann Kaminski (until 31 October 2023)
Dr Mike Sewell
Dr Pieter van Houten
Ms Milly Bodfish
Mr John Dix
Dr Louise Joy
Mr Scott Mandelbrote
Dr Ella McPherson (from 5 March 2024)

Student members:
Mr Sam Carling (until 30 June 2024)
Mr Fergus Kirman (until 30 June 2024)
Mr Vareesh Pratap (until 30 June 2024)
Ms Sarah Anderson (from 1 July 2024)
Mr Sumouli Bhattacharjee (from 1 July 2024)
Mr Alex Myall (from 1 July 2024)

External members:
Ms Gaenor Bagley
Ms Sharon Flood
Professor Sir Alexander Halliday
Professor Andrew Wathey

The Chancellor, external members, student members, Professor Atkins, Mrs Hancock, Baroness Morgan, Dr Sewell and Mr Dix were not employed by the University during the year. The other members of the Council are employees of or undertake work for the University. No member of the Council receives payment for serving as a member of the Council.

Statement of internal control

1. The Council is responsible for maintaining a sound system of internal control that supports the achievement of policies, aims, and objectives, while safeguarding the public and other funds and assets for which the Council is responsible, in accordance with the Statutes and Ordinances and the Office for Students' (OfS) Terms and Conditions of funding for higher education institutions and the Terms and Conditions of the Research England grant.

2. The system of internal control is designed to identify the principal risks to the achievement of policies, aims, and objectives, to evaluate the nature and extent of those risks, and to manage them efficiently, effectively, and economically on an ongoing basis. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve policies, aims, and objectives; it, therefore, provides reasonable, but not absolute, assurance of effectiveness.

3. A risk management framework continued to be in place for the year ended 31 July 2024 and up to the date of approval for the financial statements. The framework is in accordance with OfS guidance.

4. The Council is responsible for ensuring that a sound system of internal control is maintained. The following principles of internal control have been established and applied as described below:

(*a*) The Council receives periodic reports from the Chair of the Audit Committee concerning internal control and risk management, together with the minutes of all meetings of the Audit Committee.

(*b*) The Audit Committee reviews the University's policy against bribery and corruption on an annual basis.

(*c*) The Audit Committee receives regular reports from the University's internal auditors, Deloitte LLP, which include the internal auditors' independent opinion on the adequacy and effectiveness of the University's system of internal control and risk management, together with recommendations for improvement.

(*d*) The Council has delegated to the Audit Committee the responsibility for reviewing the University's risk management processes to ensure that they are adequate and effective. Risk management is a standing item on the Audit Committee agenda and is the driving element in the design of the annual internal audit programme of work.

(*e*) The Audit Committee's annual report (which is submitted to the Council), sets out how risks are identified and evaluated, how risk management is embedded in ongoing operations and reviews the effectiveness of the risk management framework. The annual report also considers the University's arrangements for the prevention and detection of corruption, fraud, bribery and other irregularities.

(*f*) The University's senior leadership team is responsible for identifying and managing risks across the University's activities, within the context of the University's priorities and objectives. The review of risks encompasses business, operational, compliance, financial, and reputational risks.

(*g*) All identified risks are evaluated using a common framework for scoring that considers both the likelihood and impact of risks becoming a reality. The scoring guidance for evaluating risks prompts risk owners to consider the following categories of impact: finance, compliance, safety, service delivery (operational), reputation, and people.

(*h*) The risk management framework applies across the University's institutions, with further guidance and information provided to those who own or manage University, School, Faculty or Departmental risks (primarily through web-based resources and training). Risk assessment underpins the University's programme of internal audit work.

(*i*) The University's Risk Register identifies those risks that are considered to have a fundamental impact on the University's ability to deliver its mission or to operate effectively. The risk register is considered and formally approved by the Council at least annually, enabling it to receive direct updates on the evaluation and management of risks.

5. The Council is also responsible for reviewing the effectiveness of the system of internal control. The Council's review of the effectiveness of the system of internal control is informed by:

(*a*) the work of the University's internal auditors, Deloitte LLP, as reported to the Council through the Chair of the Audit Committee, the Audit Committee's annual report and the minutes of all meetings of the Audit Committee;

(*b*) the work of the senior officers and the risk owners within the University, who have responsibility for the development and maintenance of the internal control framework; and

(*c*) comments made by the external auditors in their management letter and other reports.

6. Deloitte LLP, as the University's internal auditors, provided reasonable assurance that the University's arrangements for risk management and governance were adequate and effective. The internal auditors provided limited assurance that the University has an efficient and effective system of internal control on the basis that a larger number of focus areas had been identified through their work where the University is taking steps to further enhance controls. No significant control weaknesses or failures which require disclosure were identified during the 2023–24 financial year, or up to the date of approval of the financial statements.

Statement of the responsibilities of the Council

Under the University's Statutes and Ordinances, it is the duty of the Council to prepare and to publish the annual accounts of the University in accordance with UK applicable accounting standards such that the accounts give a true and fair view of the state of affairs of the University.

The Council is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the University.

In preparing the financial statements, the Council is required to:

(*a*) select suitable accounting policies and then apply them consistently;

(*b*) make judgements and estimates that are reasonable and prudent;

(*c*) state whether applicable accounting standards have been followed;

(*d*) prepare the financial statements on a going concern basis unless it is inappropriate to presume that the University will continue to operate;

(*e*) ensure that income has been applied in accordance with the University's Statutes and Ordinances, the Terms and Conditions of funding for higher education institutions, the Terms and Conditions of the Research England grant, and the funding agreement with the National College for Teaching and Leadership; and

(*f*) safeguard the assets of the University and take reasonable steps to prevent and detect fraud and other irregularities.

Independent auditors' report to the Council of the University of Cambridge

Report on the audit of the financial statements

Opinion

In our opinion, The Chancellor, Masters, and Scholars of the University of Cambridge ('University of Cambridge') Group financial statements and the University financial statements (the 'financial statements'):

- give a true and fair view of the state of the Group's and of the University's affairs as at 31 July 2024 and of the Group's and of the University's income and expenditure, gains and losses, changes in reserves and of the Group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law); and
- have been properly prepared in accordance with the requirements of the Office for Students' Accounts Direction (OfS 2019.41).

We have audited the financial statements, included within the Reports and Financial Statements (the 'Annual Report'), which comprise: the Consolidated and University statements of financial position as at 31 July 2024; the Consolidated and University statements of comprehensive income; the Consolidated and University statements of changes in reserves, the Consolidated statements of cash flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in Note 15 to the financial statements, we have provided no non-audit services to the company or its controlled undertakings in the period under audit.

Our audit approach

Overview

Audit scope

- The scope of our work covered the financially significant components, including the Academic University, Cambridge University Press & Assessment, and the Cambridge University Endowment Fund. We conducted a full scope of audit for each of these components.
- These audit procedures covered approximately 94% of the Group's income and approximately 94% of the Group's surplus for the year.

Key audit matters

- Rights and obligations relating to research debtors and donations and endowment income (Group and University)
- Valuation of complex pooled investment vehicle assets (Group and University)
- Valuation of investment properties (Group and University)
- Valuation of pension schemes liabilities (Group and University)

Materiality

- Overall Group materiality: £26.3 million (2023: £23.3 million) based on 1% of total income.
- Overall University materiality: £24.5 million (2023: £23.2 million) based on 1% of total income.
- Performance materiality: £19.7 million (2023: £17.5 million) (Group) and £18.4 million (2023: £17.4 million) (University).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Rights and obligations relating to research debtors and donations and endowment income (Group and University) Refer to Note 3(e) (Statement of significant accounting policies – Recognition of income), Note 4(a)(i) (Critical judgements in applying the Group's accounting policies – Revenue recognition), Note 7 (Research grants and contracts), and Note 9 (Donation and endowments). Research grant income is typically recognised when the terms of the grant or contract are met, primarily as relevant expenditure is incurred. Often there will be timing differences between when cash is received and when recognition criteria are met. This requires income to be accrued or deferred resulting in a risk of inappropriate revenue recognition at the year end and potential clawback, although the risk of clawback after payment is low as the funder would have approved the delivery of the service after review of the invoice/claim made by the University. Therefore, we consider that the risk lies in the rights and obligations of the unbilled and billed but unpaid portions of grant income recognised and the recoverability of the research debtor at year end. For donation and endowment income, the Group recognises income when the terms and conditions of the donation agreements are met. While most donations have no specific performance obligations and are recognised when cash is received, some agreements involve a degree of judgement for when the Group is entitled to recognise income. The significant risk arises from the potential misinterpretation of the contract terms when establishing the Group's rights and obligations to recognise the income.	We understood and evaluated the design and implementation of controls associated with research income and donations. For research grants and contracts, we performed procedures over samples of both unbilled and billed but unpaid research debtors and assessed the recoverability of these balances. Where available we have agreed balances to subsequent cash receipts. If balances remain unpaid during our audit fieldwork, we have considered whether the expenses claimed are allowable. Our procedures included inspecting grant agreements, analysing the nature of expenditure incurred in the year, assessing the ability of the funders to pay, and inspecting grant audit reports for sponsors to identify any potential issues with the claims. For donations, we have performed procedures over a sample of donations and endowments recognised in the year, with a particular focus on larger individual donations. Our procedures included verifying whether the performance obligations as specified by the donations agreements were met to support the Group's recognition of the income in the period. Based on our work performed, we are satisfied that the recognition of research debtors and donations and endowment income is appropriate.

Key audit matter	How our audit addressed the key audit matter
Valuation of complex Pooled Investment Vehicle (PIV) assets (Group and University) Refer to Note 4b(i) (Key accounting estimates and assumptions – investment valuations), Note 23 (Non-current investments – other investments), Note 26 (current asset investments) and Note 12 (Investment income). As explained in Note 12, the Cambridge University Endowment Fund ('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. The total CUEF fund value is £4,285.9 million (2023: £4,087.2 million). The CUEF portfolio consisted of approximately £3,299.6 million pooled investment vehicles ('PIVs') as at 31 July. A large proportion of these PIVs (approximately £1,184.4 million) are funds with lagged valuations and/or high exposure to level 3 investments (assets with unobservable inputs). These funds specifically carry significant risk of valuation error due to the lack of an observable market price alongside judgements, estimates and more complex valuation techniques required by the investment managers of the funds when valuing the underlying assets. For the quarterly valued PIVs there is a high degree of judgement applied within the roll-forward performed by management from the most recent quarterly valuation date of 30 June 2024 to the Group's financial year-end of 31 July 2024. Management has continued to refine the methodology for estimating the July valuations. In the current year adjustments to June valuations have been applied in respect of known movements such as cash flows and foreign exchange. Management has then assessed movements in market indices which have been assigned as proxies to the funds and applied judgement in determining whether these movements would require further adjustments to be made. The overall movement in the valuation of the pooled investment vehicles from June 2024 to July 2024 was a decrease of £13.5 million, of which £3.4 million related to indexed market movements.	We understood and evaluated the design and operating effectiveness of controls addressing the valuation of pooled investment vehicles in the CUEF portfolio. This included testing management's financial statement lookback control, whereby unaudited confirmations from investment managers were reconciled back to audited financial statements of the funds. Our procedures included obtaining external confirmations directly from the investment managers of the funds to provide independent evidence over management's valuation of the assets. In order to test the valuation from the investment managers for a sample of the complex PIVs, including those with a lagged valuation and/or high exposure to level 3 investments, we considered a range of supporting evidence as available to assess whether the value provided was reliable and appropriate. The supporting evidence obtained and inspected included; fund control reports, bridging letters and audited fund financial statements. Where considered necessary we also obtained an understanding over the governance and attestation procedures performed by management and assessed whether there is any indication of impairment or ineffective controls in the information obtained and reviewed by management. In relation to the roll-forward performed by management from the most recent quarterly valuations in June to the reporting date 31 July, we have assessed the appropriateness of management's revised approach and for all complex PIVs we agreed adjustments made for cash flow movements to the external confirmation from the custodian. In addition, where benchmarks had a movement exceeding management's threshold, we assessed the appropriateness of the benchmarks applied, considering the underlying characteristics of these specific funds (that is, geographic location, industry of the fund and similar markets) and whether the adjustment was appropriate. Where relevant we also assessed the appropriateness of changes in assigned benchmarks for any funds from the prior year. To challenge the completeness of the assessment we reviewed minutes of client internal meetings where potential impairments were discussed and searched for contradictory evidence. From our testing performed we are comfortable that the valuation of the pooled investment vehicles is appropriate.

Key audit matter	How our audit addressed the key audit matter
Valuation of investment properties (Group and University) Refer to Note 3(k) (Statement of significant accounting policies – Investment properties), Note 4(b)(ii) (Key accounting estimates and assumptions – Valuation of investment properties) and Note 23 (Non-current investments). The Group and University's non-current asset investments comprises investment property valued at £713 million (2023: £683.4 million). The Group and University's nvestment property portfolio comprises assets held directly by the Academic University as well as assets held within the Cambridge University Endowment Fund ('CUEF'), both directly and through the CUEF's investment in special purpose vehicles. The investment properties held directly by the University are valued at £477.1 million (2023: £509.0 million), those held directly by the CUEF are valued at £31.6 million (2023: £33.6 million) and those held by the CUEF's two special purpose vehicle investments are valued at £204.2 million (2023: £140.9 million). Valuations are performed on an annual basis by independent external valuers on an open market value basis, except for properties in the North West Cambridge development (comprising £249.2 million (2023: £276.1 million) of the properties held by the Group and University) that are still under construction. These properties are valued externally based on proposed planning permission, and by considering comparable sales and residual appraisals to arrive at a fair value. A valuation of this nature carries a material risk of error as it involves a number of subjective assumptions and depends upon the inputs to the valuation being consistent with the underlying facts, land usage and plans. Although the use of independent external valuers mitigates the risk of bias in the inappropriate assumptions or methodology being used, the magnitude of the balance means that small changes in assumptions could lead to material variances.	We understood and evaluated the design and operating effectiveness of controls addressing the valuation of investment properties; We tested a sample of the valuations performed by the Group's external valuers in relation to investment properties held by the Group and University. Our procedures included engaging our internal valuation experts to assist us in assessing the valuation methods and the appropriateness of the assumptions used by the Group's external valuers. As part of this work, we also assessed the competency, capability and independence of management's valuers. In assessing the appropriateness of the assumptions underlying the valuations, we have understood key drivers such as discount rates, rental income and growth, occupancy, yields and estimated future costs in relation to investment property in development. Our procedures included benchmarking these assumptions to market data where available. We performed audit procedures over a sample of the inputs included within the valuations by agreeing to supporting documentation such as lease agreements to ensure that the underlying information is accurate. Based on the procedures performed, we found the methodologies used in preparing the valuations were appropriate and the key assumptions were supportable in light of available evidence and did not identify any contradictory evidence as part of our audit work performed.
Valuation of pension schemes liabilities (Group and University) Refer to Note 3(f) (Statement of significant accounting policies – Employee benefits), Note 4(b)(iii) (Key accounting estimates and assumptions – Defined benefit pension schemes and funding of pension deficits), Note 30 (Pension (assets)/liabilities) and Note 36 (Pension schemes). The Group and University have a total pension obligation of £1,151.7 million (2023: £1,165 million) offset by the assets in the respective schemes. The main pension schemes included in the Group and University comprise: • The Cambridge University Assistants' Contributory Pension Scheme (CPS) with a defined benefit obligation of £891.9 million (2023: £905.4 million) • The Cambridge University Press UK defined benefit schemes has a defined benefit obligation balance of £259.8 million (2023: £259.6 million). This includes the Press Contributory Pension Fund (PCPF) and the Press Senior Staff Pension Scheme (PSSPS), together referred to as 'Press schemes' For the CPS and Press schemes, the present value of the defined benefit obligation is affected by actuarial assumptions, with the key assumptions being discount rates, inflation and life expectancy, depending on the individual circumstances of the scheme. A change in these actuarial assumptions can have a significant financial impact on the year-end pension obligation.	In respect of the CPS and Press defined benefit schemes, we obtained the pension valuation reports from the external actuaries. We engaged our internal actuarial experts to assist us in assessing the appropriateness of the assumptions and methodology used by management's external independent actuaries. This included assessing the reasonableness of management's key assumptions including discount rate, inflation and mortality rates and comparing them to our independent benchmarks to ensure they were within ranges we would consider as appropriate. Based on the procedures performed above, we found the methodologies and key assumptions used by management in the valuation of CPS and Press to be reasonable.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the University, the accounting processes and controls, and the industry in which they operate.

In relation to scoping our work, the following were considered significant components: the Academic University, Cambridge University Press & Assessment, and the Cambridge University Endowment Fund.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the process management adopted to assess the extent of the potential impact of climate risk on the Group's financial statements and support the disclosures made within the Environmental Sustainability section of the Reports and Financial Statements.

In addition to enquiries with management, we also read additional reporting made by the entity on climate including its Environmental Sustainability Report, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk.

Management have made commitments from an estates perspective, to reduce energy-related emissions from its operational estate to absolute zero by 2048.

This commitment does not directly impact financial reporting, as management has not yet developed a pathway to deliver this commitment and will only be able to model the impact once the pathway is developed.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements – Group	**Financial statements – University**
Overall materiality	£26.3 million (2023: £23.3 million)	£24.5 million (2023: £23.2 million)
How we determined it	Based on 1% of total income	Based on 1% of total income
Rationale for benchmark applied	Total income has been used as the benchmark for calculating overall materiality as this is considered an important metric for the key stakeholders in assessing the year on year performance of the Group. Total income is also a generally accepted benchmark when auditing organisations with social objectives.	Total income has been used as the benchmark for calculating overall materiality as this is considered an important metric for the key stakeholders in assessing the year on year performance of the Group. Total income is also a generally accepted benchmark when auditing organisations with social objectives.

For each component in the scope of our Group and University audit respectively, we allocated a materiality that is less than our overall Group and University materialities. The range of materiality allocated across components was between £20.5 million and £23.0 million. Certain components were audited to a local statutory audit materiality that was also less than our overall Group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2023: 75%) of overall materiality, amounting to £19.7 million (2023: £17.5 million) for the Group financial statements and £18.4 million (2023: £17.4 million) for the University financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £1.3 million (Group audit) (2023: £1.2 million) and £1.2 million (University audit) (2023: £1.2 million) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the Council's assessment of the Group's and the University's ability to continue to adopt the going concern basis of accounting included:

- We reviewed management's analysis and models, and how these have been applied to a going concern assessment period to 31 July 2030. These included base forecast assumptions and a set of stress tests and considered whether these were reasonable and appropriate in light of our knowledge of the Group, University and sector and past performance.
- We have verified the mathematical accuracy of the model.
- We validated the liquidity position of the Group and in particular the extent of unrestricted and available cash and equivalent resources, and considered the extent of headroom these resources provided against the stress tests.
- We have evaluated the reasonableness of prior year forecasts in comparison to subsequent actual performance; and
- We assessed the appropriateness of disclosures in the Group's financial statements.

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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group and the University's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Council is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the Council for the financial statements

As explained more fully in the Statement of the responsibilities of the Council set out on page 313, the Council is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Council is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Office for Students Regulatory Framework under the Charities Act 2011 including the terms and conditions of funding and employment legislations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Office for Students' Accounts Direction (OfS 2019.41) and tax regulations. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate income and the potential for management bias in significant accounting estimates. The Group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the Group engagement team and/or component auditors included.

- Discussing with management, internal legal counsel and review of internal audit reports, including consideration of known or suspected instances of non-compliance with laws and regulations, and fraud;
- Reviewing correspondence between the University, the Office for Students and other regulators in relation to compliance with laws and regulations;
- Performing procedures to ensure the financial statements are appropriately prepared and disclosed in line with the Office for Students' Accounts Direction (OfS 2019.41);
- Inspecting the Group and University's minutes to ensure we have identified any possible non-compliance reported internally;
- Challenging assumptions and judgements made by management in their significant accounting estimates and judgements, in particular in relation to the valuation of investment properties, the valuation of complex PIV's, CPI-linked listed bond and pension scheme liabilities valuation;
- Identifying and testing journal entries, in particular focusing on unusual account combinations to credit revenue;
- Incorporation of an element of unpredictability around the nature, timing or extent of our testing;
- Performing department visits: attending selected departments on a rotational basis to make inquiries with finance staff and verify that controls relating to management override were consistent with Group and University policies;
- Assessment of matters reported on the Group's whistleblowing process and the results of management's investigation of such matters.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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

Use of this report

This report, including the opinions, has been prepared for and only for the Council in accordance with the Charters and Statutes of the University and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Opinions on other matters prescribed in the Office for Student's Accounts Direction (OfS 2019.41)

In our opinion, in all material respects:

- funds from whatever source administered by the University for specific purposes have been properly applied to those purposes and, if relevant, managed in accordance with relevant legislation;
- funds provided by the Office for Students and UK Research and Innovation (including Research England) have been applied in accordance with the relevant terms and conditions.

Under the Office for Students' Accounts Direction, we are required to report to you, if we have anything to report in respect of the following matters:

- The University's grant and fee income, as disclosed in Note 10 to the financial statements, has been materially misstated; or
- The University's expenditure on access and participation activities for the financial year, as disclosed in Note 16 to the financial statements, has been materially misstated.

We have no matters to report arising from this responsibility.

Appointment

Following the recommendation of the Audit Committee, we were appointed by the members on 23 January 2009 to audit the financial statements for the year ended 31 July 2009 and subsequent financial periods. The period of total uninterrupted engagement is 16 years, covering the years ended 31 July 2009 to 31 July 2024.

Andy Grimbly (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cambridge

25 November 2024

Consolidated and University statement of comprehensive income for the year ended 31 July 2024

	Notes	**Group Year ended 31 July 2024 £m**	Group Year ended 31 July 2023 £m	**University Year ended 31 July 2024 £m**	University Year ended 31 July 2023 £m
Income					
Tuition fees and education contracts	*5*	**415.3**	390.1	**394.9**	372.7
Funding body grants	*6*	**202.5**	207.6	**202.5**	207.6
Research grants and contracts	*7*	**583.3**	569.5	**568.8**	555.8
Examination, assessment and publishing services	*8*	**1,016.8**	991.0	**831.6**	814.4
Donations and endowments	*9*	**150.2**	132.4	**150.4**	127.7
Other income	*11*	**188.5**	178.0	**234.7**	196.8
Investment income	*12*	**74.1**	49.7	**67.0**	45.5
Total income	*13*	**2,630.7**	2,518.3	**2,449.9**	2,320.5
Expenditure					
Staff costs					
– Excluding impact of change in USS deficit recovery contributions		**1,171.0**	1,095.8	**1,040.5**	976.7
– Change in USS pension deficit recovery provision contributions	*14, 30*	**(344.3)**	(75.2)	**(330.1)**	(76.6)
	14	**826.7**	1,020.6	**710.4**	900.1
Other operating expenditure	*15*	**1,245.1**	1,197.7	**1,185.7**	1,117.4
Amortisation	*15, 20*	**36.7**	37.2	**33.7**	30.4
Depreciation	*15, 21*	**114.9**	99.2	**112.6**	97.2
Interest and other finance income	*15, 17*	**20.3**	(36.8)	**20.0**	(37.0)
Total expenditure		**2,243.7**	2,317.9	**2,062.4**	2,108.1
Surplus before other gains and losses and share of surplus in joint ventures and associates		**387.0**	200.4	**387.5**	212.4
Share of operating (loss) / surplus in joint ventures and associates		**(0.2)**	0.2	**–**	–
Loss on disposal of fixed assets		**(0.7)**	–	**(0.8)**	–
Gain on other investments	*23a*	**348.8**	66.4	**307.4**	75.6
Loss on investment property	*23b*	**(2.4)**	(62.5)	**(2.4)**	(62.5)
Surplus for the year before taxation		**732.5**	204.5	**691.7**	225.5
Taxation	*18*	**(6.4)**	(5.6)	**(2.2)**	(2.0)
Surplus for the year		**726.1**	198.9	**689.5**	223.5
Other comprehensive income / (expense):					
Actuarial gain	*30, 31*	**98.6**	286.4	**98.6**	287.0
Loss arising on foreign currency translation		**(1.1)**	(6.3)	**(1.6)**	(0.6)
Total comprehensive income for the year		**823.6**	479.0	**786.5**	509.9
Represented by:					
Endowment comprehensive (expense)/income for the year		**153.0**	(7.8)	**139.9**	(3.9)
Restricted comprehensive income for the year		**37.3**	64.1	**36.6**	64.3
Unrestricted comprehensive income for the year		**633.3**	422.7	**610.0**	449.5
		823.6	479.0	**786.5**	509.9

Group total comprehensive income includes £1.4m (2023: £4.5m) attributable to non-controlling interests.

Consolidated and University statements of financial position as at 31 July 2024

	Note	**Group 31 July 2024 £m**	Group 31 July 2023 £m	**University 31 July 2024 £m**	University 31 July 2023 £m
Non-current assets					
Intangible assets and goodwill	*20*	**133.5**	119.8	**122.8**	110.4
Tangible assets	*21*	**2,758.7**	2,763.4	**2,750.0**	2,759.8
Heritage assets	*22*	**109.0**	101.8	**109.0**	101.7
Investments – other investments	*23a*	**4,771.2**	4,356.6	**4,128.3**	3,727.7
Investments – investment property	*23b*	**477.1**	509.0	**477.1**	509.0
Investments in joint ventures	*23a*	**6.8**	7.5	**–**	–
Pension assets	*30*	**28.9**	–	**28.9**	–
		8,285.2	7,858.1	**7,616.1**	7,208.6
Current assets					
Stock and work in progress	*24*	**45.7**	53.5	**40.5**	46.8
Trade and other receivables	*25*	**506.5**	478.0	**584.3**	529.7
Investments	*26*	**718.3**	829.9	**1,363.4**	1,454.6
Cash and cash equivalents	*27*	**479.4**	399.3	**373.4**	287.5
		1,749.9	1,760.7	**2,361.6**	2,318.6
Creditors: amounts falling due within one year	*28*	**(1,076.6)**	(1,098.9)	**(1,786.9)**	(1,748.5)
Net current assets		**673.3**	661.8	**574.7**	570.1
Total assets less current liabilities		**8,958.5**	8,519.9	**8,190.8**	7,778.7
Creditors: amounts falling due after more than one year	*29*	**(940.2)**	(909.8)	**(910.7)**	(884.1)
Pension liabilities	*30*	**(13.9)**	(427.5)	**(12.0)**	(411.5)
Other retirement benefits liabilities	*31*	**(13.4)**	(14.9)	**(13.4)**	(14.9)
Total net assets		**7,991.0**	7,167.7	**7,254.7**	6,468.2
Restricted reserves					
Income and expenditure reserve – endowment	*32*	**2,622.1**	2,469.1	**2,259.0**	2,119.1
Income and expenditure reserve – restricted	*33*	**291.5**	254.2	**290.4**	253.8
Unrestricted reserves					
Income and expenditure reserve – unrestricted		**5,077.4**	4,444.4	**4,705.3**	4,095.3
Total reserves		**7,991.0**	7,167.7	**7,254.7**	6,468.2

Group unrestricted reserves includes £6.7m (2022–23: £6.0m) attributable to non-controlling interests.

The financial statements on pages 320 to 376 were approved by the Council on 25 November 2024 and signed on its behalf by:

Professor Deborah Prentice
Vice-Chancellor

Gaenor Bagley
External Member of the Council

Anthony Odgers
Chief Financial Officer

Consolidated and University statements of changes in reserves for the year ended 31 July 2024

	Endowment £m	Restricted £m	Unrestricted £m	Total £m
GROUP				
Balance at 1 August 2022	2,476.9	190.1	4,025.9	6,692.9
Surplus for the year ended 31 July 2023	(7.8)	64.1	142.6	198.9
Other comprehensive income	–	–	280.1	280.1
Total comprehensive income for the year ended 31 July 2023	(7.8)	64.1	422.7	479.0
Dividend paid to non-controlling interest	–	–	(4.3)	(4.3)
Other movements	–	–	0.1	0.1
Balance at 31 July 2023	**2,469.1**	**254.2**	**4,444.4**	**7,167.7**
Surplus for the year ended 31 July 2024	**153.0**	**37.3**	**535.8**	**726.1**
Other comprehensive income	**–**	**–**	**97.5**	**97.5**
Total comprehensive income for the year ended 31 July 2024	**153.0**	**37.3**	**633.3**	**823.6**
Dividend paid to non-controlling interest	**–**	**–**	**(0.3)**	**(0.3)**
Balance at 31 July 2024	**2,622.1**	**291.5**	**5,077.4**	**7,991.0**
UNIVERSITY				
Balance at 1 August 2022	2,123.0	189.5	3,640.6	5,953.1
Surplus for the year ended 31 July 2023	(3.9)	64.3	163.1	223.5
Other comprehensive income	–	–	286.4	286.4
Total comprehensive income for the year ended 31 July 2023	(3.9)	64.3	449.5	509.9
Other movements	–	–	5.2	5.2
Balance at 31 July 2023	**2,119.1**	**253.8**	**4,095.3**	**6,468.2**
Surplus for the year ended 31 July 2024	**139.9**	**36.6**	**513.0**	**689.5**
Other comprehensive income	**–**	**–**	**97.0**	**97.0**
Total comprehensive income for the year ended 31 July 2024	**139.9**	**36.6**	**610.0**	**786.5**
Balance at 31 July 2024	**2,259.0**	**290.4**	**4,705.3**	**7,254.7**

Consolidated statements of cash flows for the year ended 31 July 2024

	Notes	**Group Year ended 31 July 2024 £m**	Group Year ended 31 July 2023 £m
Cash flow from operating activities			
Surplus for the year before taxation		**732.5**	204.5
Adjustments for non-cash items:			
Depreciation		**114.9**	99.2
Amortisation of intangible assets		**36.7**	37.2
Gain on investments		**(346.4)**	(3.9)
Impairment of investments		**–**	8.9
Revision of USS deficit recovery provision recognised in the year		**(344.3)**	(75.2)
Other pension costs less contributions payable		**(1.0)**	(6.2)
Other retirement benefit costs less contributions payable		**(0.1)**	(0.1)
Receipt of donated assets		**(26.5)**	(19.1)
Currency adjustments		**1.1**	6.5
Adjustments for working capital changes:			
Decrease / (increase) in stock and work in progress	24	**7.8**	(1.1)
Increase in trade and other receivables		**(28.5)**	(54.3)
(Decrease) / increase in creditors		**(42.4)**	13.7
Adjustments for investing or financing activities:			
Investment income	12	**(74.1)**	(49.7)
Interest payable	17	**21.2**	21.2
Credit for revaluation of index linked bonds	17	**(13.2)**	(85.4)
New endowments	9	**(38.3)**	(10.5)
Capital grants and donations		**(52.2)**	(53.8)
Share of joint venture and associates net (loss) / surplus		**0.2**	(0.2)
Loss / (gain) on the sale of fixed assets		**0.7**	(0.1)
Net cash (outflow) / inflow from operating activities before taxation		**(51.9)**	31.6
Taxation	18	**(6.4)**	(5.6)
Net cash (outflow) / inflow from operating activities after taxation		**(58.3)**	26.0
Cash flows from investing activities			
Capital grants and donations		**52.2**	53.8
Proceeds from sales of fixed assets		**0.2**	0.2
Proceeds from investment property sales: North West Cambridge		**38.5**	–
Proceeds from sales of other non-current asset investments		**17.6**	13.3
Net disposal of other current asset investments		**146.6**	34.8
Investment income	12	**74.1**	49.7
Payments made to acquire intangible assets	20	**(50.5)**	(52.0)
Payments made to acquire fixed assets		**(93.8)**	(112.0)
Payments made to acquire heritage assets		**(0.7)**	(0.5)
Disposal / (acquisition) of CUEF investment assets		**213.2**	(50.8)
Payments made to acquire other non-current asset investments		**(172.1)**	(165.2)
Payments made re North West Cambridge development costs		**(6.0)**	(8.6)
Net cash inflow / (outflow) from investing activities		**219.3**	(237.3)
Cash flows from financing activities			
New endowments*	9	**38.3**	10.5
Interest paid		**(21.0)**	(21.0)
Dividend payment to non-controlling interest	34	**(0.3)**	(4.3)
Drawdown of secured CUEF borrowings		**36.9**	–
Colleges and Associated bodies – CUEF subscriptions		**19.5**	28.8
Colleges and Associated bodies – CUEF redemptions		**(3.6)**	(0.1)
Colleges and Associated bodies – CUEF distributions		**(14.3)**	(12.2)
Net cash inflow from financing activities		**55.5**	(1.7)
Increase / (reduction) in cash and cash equivalents in the year		**216.5**	(209.6)
Cash and cash equivalents at beginning of the year		**564.0**	773.6
Cash and cash equivalents at end of the year		**780.5**	564.0
Represented by:			
Cash and cash equivalents	27	**479.4**	399.3
Cash and cash equivalents – CUEF	23	**301.1**	164.7
		780.5	564.0

* New endowments have been reclassified from Cash flows from investing activities to Cash flows from financing activities for the prior year for consistency with the current year presentation.

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.

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

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 Registrary 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)

Other operating expenses include:	**Group 2024 £m**	Group 2023 £m
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.

Other operating expenses include:	**Group 2024 £000**	Group 2023 £000
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:

Coupon payments:	**Group 2024 £m**	Group 2023 £m	**University 2024 £m**	University 2023 £m
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	**–**	–
Elimate 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	Software £m	Goodwill £m	Others £m	2024 Total £m	2023 Total £m
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 £m	**%**	31 July 2023 £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 2024 £m	Group 2023 £m	**University 2024 £m**	University 2023 £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	CPS £m	The Press & Assessment PCPF £m	The Press & Assessment PSSPS £m	The Press & Assessment DBP £m	Defined benefit total £m	USS deficit recovery £m	Other £m	Total 2024 £m	Total 2023 £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 £m	2023 £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:		
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 2024 £m	**Provisions (Note 30) 2024 £m**	**Total 2024 £m**	Employer contributions 2023 £m	Provisions (Note 30) 2023 £m	Total 2023 £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	w	
Cambridge Assessment Overseas Limited		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:

(a) entities over which a member of Council or of key management personnel (see Note 14) has control or joint control

(b) entities over which a member of Council has significant influence

(c) 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 £m**	2023 £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 a 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.

Investment assets at fair value at 31 July 2024	**Level 1 £m**	**Level 2 £m**	**Level 3 £m**	**Total £m**
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**

Investment assets at fair value at 31 July 2023	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
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**

ANNUAL REMUNERATION REPORT

The Council publishes the following report on remuneration to provide assurance that the Council, acting through its Remuneration Committee, has discharged its responsibilities effectively. The report also provides a further breakdown of remuneration data, which can be read in parallel with the remuneration data provided in the Notes section of the Reports and Financial Statements for the year ended 31 July 2024 (at p. 337 above).

Remuneration report, 2023–24

Introduction

This report is based on current guidance provided by both the Committee of University Chairs (CUC) and the Office for Students (OfS). The report is in two parts:

A. a description of the University's Remuneration Committee; and

B. details about the required pay disclosures set out in the University's Reports and Financial Statements for the year ended 31 July 2024 (p. 294 at p. 337).

The general principles behind the University's overall approach to remuneration for all staff are presented in Annex 1 (p. 390).

A. The Remuneration Committee

The University's Remuneration Committee operates under delegated authority from the Council and is responsible, *inter alia*, for setting the Vice-Chancellor's pay, reviewing the Vice-Chancellor's performance and advising on senior post-holders'[1] remuneration. The Committee is comprised of a Chair who is an external member of the Council and four other members. Of these four members, at least two will be members of the Council, and at least two will be completely external to the University or external to the Academic University[2] (but may be members of a Cambridge College or other associated organisation). The role of the Committee continues to evolve in response to the emergence of best-practice guidance from a range of bodies.

It should be noted that the Remuneration Committee only looks at remuneration of the most senior members of the University; general remuneration and HR matters and promotions are the business of the HR Committee.

1. Terms of reference

The current terms of reference (ToR)[3] for the Remuneration Committee were updated in January 2024 and approved by the Council in February 2024. These ToR were originally developed in line with the CUC Remuneration Code for Higher Education, the Office for Students (OfS) Regulatory Framework for Higher Education in England, and revisions to the Financial Reporting Council Corporate Governance Code. The ToR requires the Remuneration Committee to meet a minimum of twice a term.

The following staff fall within the Committee's remit:

- the Vice-Chancellor (VC)
- the Vice-Chancellor-Elect / Acting Vice-Chancellor (when appropriate)
- the Pro-Vice-Chancellors (PVCs)
- the Registrary
- the Chief Financial Officer
- the Executive Director of Development and Alumni Relations (CUDAR)
- the Director of University Information Services (UIS)
- the Executive Director of Communications and External Affairs

[1] Senior post-holders are the post-holders who report directly to the Vice-Chancellor, in institutions for which the Council is the competent authority and such other senior posts as may be determined by the Council from time to time.

[2] The staff of the Academic University are defined as those involved in the core teaching and research activities of the University, but *excluding* the staff of the Property Group, University of Cambridge Investment Management Limited (UCIM), Cambridge University Press & Assessment, and all subsidiary companies, associated trusts and joint ventures.

[3] Available at https://www.governance.cam.ac.uk/committees/remco/Pages/tor.aspx.

2. Senior pay

The Committee takes account of benchmarking data for similar roles within its remit from the Universities and Colleges Employers' Association (UCEA), the Russell Group Survey, search firms, and, where available and relevant, international salary surveys.

3. Membership of the Committee

Membership is set out in the ToR. The members for the period in question were as follows:

Name	*Position*	*Appointing body*
Ms Gaenor Bagley (Chair)	External, member of the Council	The Council
Dr Neil Churchill	External, Director for Experience, Participation and Equalities at NHS England	The Council
Professor Anthony Davenport	Professor of Cardiovascular Pharmacology and member of the Council	The Council
Professor Pippa Rogerson (until 31 July 2024)	Professor of Private International Law, member of the Council and Master of Gonville and Caius College	The Council
Dr Louise Joy	College Director of Studies, Tutor and College Associate Professor, a member of the Council	The Council
In attendance:		
Ms Emma Rampton	Registrary (Secretary)	*ex officio*
Professor Kamal Munir	Pro-Vice-Chancellor for University Community and Engagement	*ex officio*
Ms Andrea Hudson	Director of Human Resources	*ex officio*

4. Meetings

The Remuneration Committee met eight times during the 2023–24 academic year. The Committee was chaired by Ms Gaenor Bagley, an external member of the Council.

The Remuneration Committee's minutes are sent to the Council as soon as reasonably possible after each meeting of the Committee.

In line with its terms of reference, the Committee recommended to the Council market payments in respect of two Pro-Vice-Chancellors. The Committee reviewed and, as appropriate, approved new cases and renewals for market payments to Grade 12 staff. When reviewing market pay applications the Committee reviews the implications on the gender and ethnicity pay gaps and challenges departments on their plans to address any pay gaps. The Committee also approved the enhancements to the market pay forms and approved cases for payments to external members of certain committees.

The Committee was kept updated on work being undertaken as part of the University's pay review and held a joint meeting with the Human Resources Committee to discuss strategic pay priorities for the University.

It also led the annual process for the review of the Vice-Chancellor's performance against her objectives and delivered a report to the Council in October.

B. Senior pay disclosures

1. The Vice-Chancellor

(*a*) *Pay and remuneration*

Details of the remuneration of the Vice-Chancellor

The remuneration of the Vice-Chancellor is detailed in the table below and relates to the year from 1 August 2023 to 31 July 2024, with the comparative relating to the year from 1 August 2022 to 31 July 2023.

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 the three post-holders[4] for the year ending on 31 July 2023.

	2024 **£000**	2023 £000
Salary for the period	**409**	398[5]
Other taxable remuneration	**42**	–
Deductions to reflect salary sacrifice arrangements	**(31)**	(14)
Net salary paid in the year	**420**	384
Taxable benefits in kind	**29**	25
Non-taxable benefits in kind	**25**	13
Total excluding employer contributions	**474**	422
Employer pension contributions	**103**	44
Payments made in lieu of pension	–	33
Total remuneration	**577**	499

(*b*) *External appointments – payments from external bodies to the Vice-Chancellor*

The Vice-Chancellor did not receive any payments for external appointments during 2023–24.

(*c*) *The pay ratio – Head of Institution against median of all staff*

The Vice-Chancellor's basic salary is 10.4 times (2023: 10.3 times and 2022: 10.5 times[6]) 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 Vice-Chancellor's total remuneration is 12.7 times (2023: 10.4 times and 2022: 11.9 times[6]) 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 total remuneration includes £42,486 additional taxable remuneration in relation to relocation expenses paid by the Vice-Chancellor and reimbursed by the University. Without these one-off relocation expenses, the total remuneration is 11.8 times the median pay of staff.

Compared to academic staff alone, the current Vice-Chancellor's total remuneration is 6.8 times the median total remuneration of academic staff (including clinical staff) (2023: 5.6 times).

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

Comparative data for the sector is not yet available for 2023–24. However, through UCEA, the University has access to similar data for the year 2022–23. The two graphs below illustrate the 2022–23 (UCEA-sourced) data for both the University of Cambridge (highlighted) and all other UK Higher Education Institutions (HEIs). (Note: income refers to total income from across the University Group.)

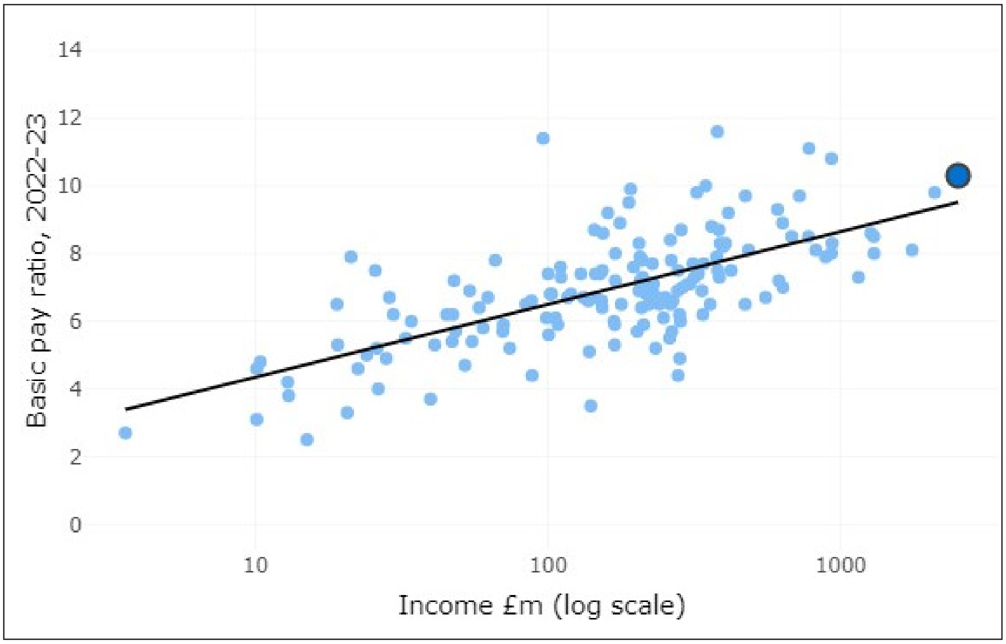
[4] Professor Stephen Toope was Vice-Chancellor until 30 September 2022. Dr Anthony Freeling was Acting Vice-Chancellor from 1 October 2022 to 30 June 2023. The current Vice-Chancellor, Professor Deborah Prentice, started her term of office on 1 July 2023.

[5] This includes pay for the current Vice-Chancellor from 1 April 2023 to 31 June 2023, when she was Vice-Chancellor-Elect.

[6] Pay multiple data has been included for 2022 as this was the last time there was a Vice-Chancellor in post for the full year and would be the most appropriate comparator for the current Vice-Chancellor. As noted above, there were three post-holders for the year ending on 31 July 2023 including an interim Vice-Chancellor for part of the year.

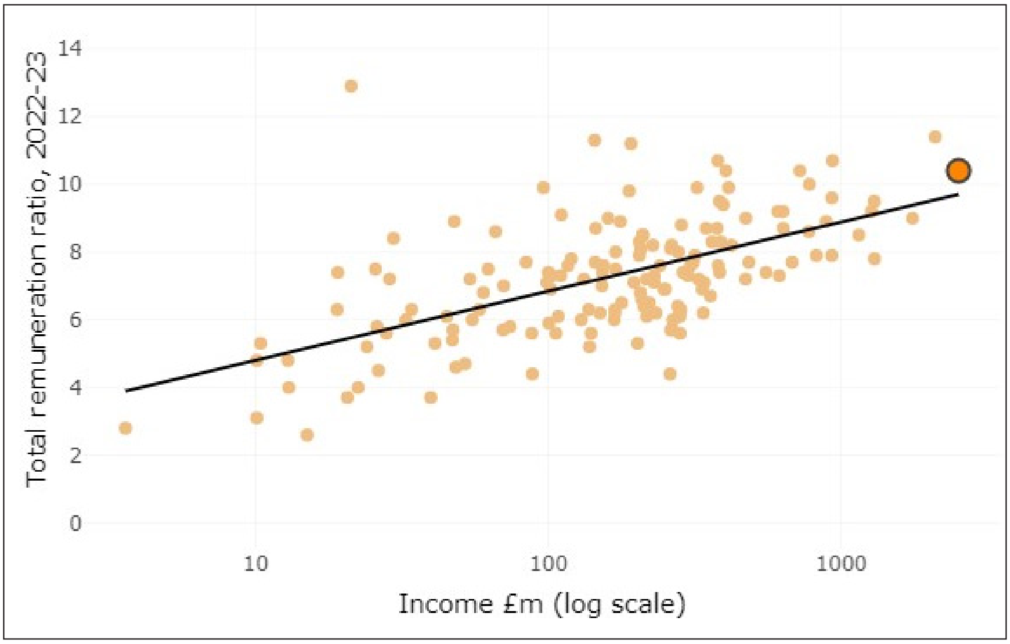
Relationship between income and basic pay ratio – (all HEIs)

Source: UCEA



Relationship between income and total remuneration ratio (all HEIs)

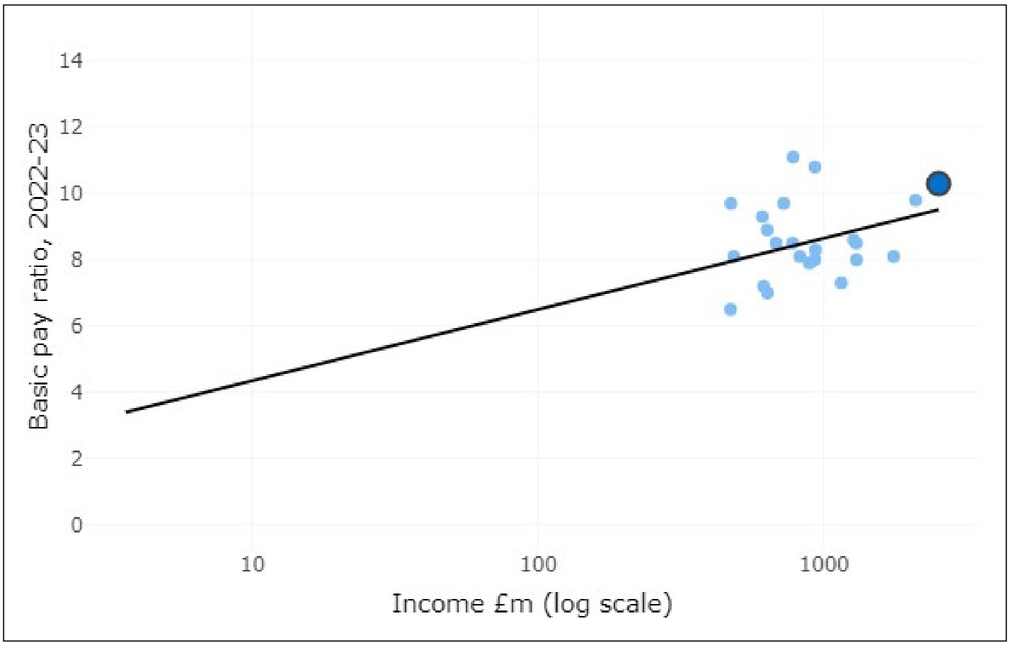
Source: UCEA



The two graphs below show the data for the University of Cambridge (highlighted) and other Russell Group HEIs. (Note: income refers to total income from across the University Group).

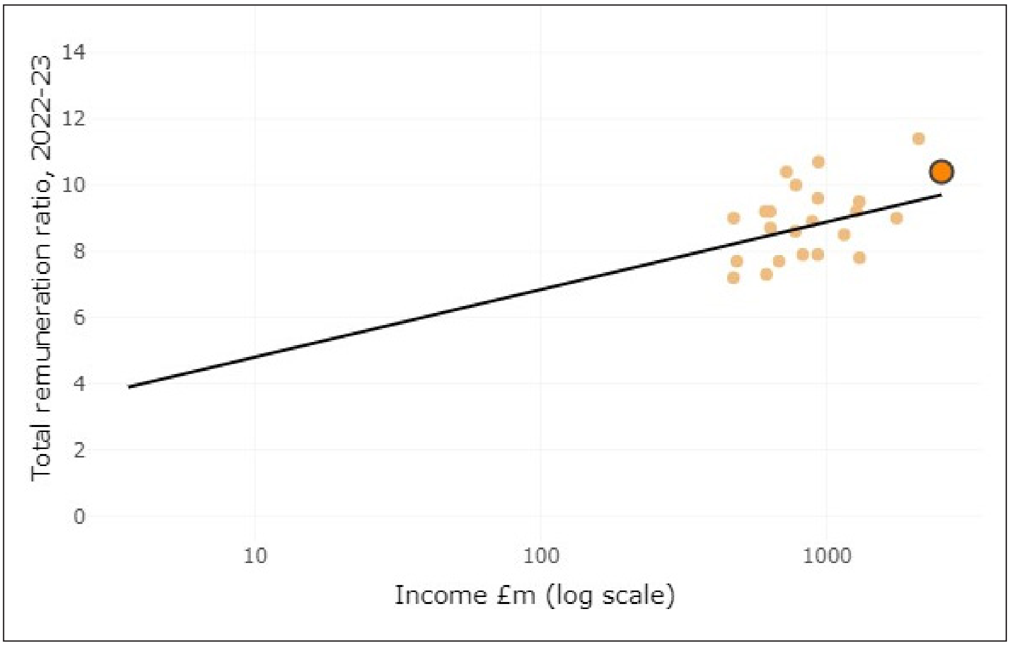
Relationship between income and basic pay ratio (Russell Group HEIs)

Source: UCEA



Relationship between income and total remuneration ratio (Russell Group HEIs)

Source: UCEA



2. Senior postholders' remuneration

For Pro-Vice-Chancellors, whose salary is calculated via a formula, the Committee:

- recommends to the Council approval of market pay awards on appointment, and any subsequent change to such market payments. Together with the appointee's prior academic salary, this will determine the remuneration of the Pro-Vice-Chancellor role;
- separate from any increase to market pay awards, the base component of a Pro-Vice-Chancellor's salary will rise in line with the agreed increase in the single pay spine.

Two market payments to these roles were approved during 2023–24.

For the Chief Financial Officer, the Registrary, the Executive Director of Development and Alumni Relations, the Executive Director of Communications and External Affairs and the Director of the UIS, the Committee:

- recommends to the Council a salary range within which an initial appointment can be made;
- informs the Council of the actual salary at which the candidate has been appointed within that range;
- informs the Council of the range of their salary increases in an anonymised form compared to any increase in academic or other salaries.

No market payments to these roles were approved during 2023–24.

The total remuneration (basic salary and any additional payments (namely directorships, PVC supplements, market pay, but excluding pension arrangements)) of senior post-holders (at 31 July 2024) who fall under the purview of the Remuneration Committee (excluding the Vice-Chancellor – see B.1. above), shown in £5k bands, are below:

Range	**2024 Number**	2023 Number
£150,000–£154,999		
£155,000–£159,999	**1**	
£160,000–£164,999		1
£165,000–£169,999		
£170,000–£174,999		1
£175,000–£179,999	**2**	1
£180,000–£184,999		1
£185,000–£189,999	**2**	3
£190,000–£194,999	**1**	
£195,000–£199,999		
£200,000–£204,999		
£205,000–£209,999		
£220,000–£224,999		1
£230,000–£234,999	**1**	
£235,000–£239,999		
£250,000–£254,999		1
£265,000–£269,999	**1**	
£335,000–£339,999		
£340,000–£344,999		
£360,000–£364,999		1
£370,000–£374,999	**1**	
Total	**9**	10

Note: The remuneration of senior post-holders is also included in the data of staff earning > £100k shown in £5k bands (p. 388).

The movements between the numbers for 2023 and 2024 result from the application of the 2023–24 national pay award which was effective from August 2023. One post was vacant as at 31 July 2024.

3. Payments to external members of University bodies and committees

The Committee applied the Policy on Payments to External Members of University Bodies and Committees[7] to approve eleven payments.

[7] See https://www.governance.cam.ac.uk/committees/remco/Documents/Policy on Payments to External Members of University Bodies and Committees.pdf.

4. Market pay

Market payments are made for recruitment, retention, promotion or renewal purposes. Where a case for market pay exceeds 10% of the lowest salary point of the Grade 12 band, the Remuneration Committee's approval is required. For those cases where the market pay is below 10%, the relevant Head of School's approval is required. Market payments are time-limited, requiring them to be reviewed after no more than five years. Such payments are reduced by the amount of base pay that is increased when an award is made through any of the University's reward and progression schemes.

The Committee noted that there continued to be reasonably high numbers of market pay cases each year. The Human Resources Committee has commissioned a Pay Review Steering Group to consider what improvements could be made, within the bounds of affordability, to achieve a more transparent and equitable pay framework and this will include the use of market pay.

The annual report of Grade 12 market pay cases, including submissions approved by Heads of Schools and the Remuneration Committee in 2023–24 (1 October 2023 to 30 September 2024) is shown below.

	Value Range (% of bottom grade)		*Request Type*			*Staff Type*			*Grade 12*												*Recruitment/Retention Successful?*			
									12.1			12.2			12.3			12.4						
	Min	Max	Recruitment	Retention	Renewal	Academic	Clinical Academic	Academic-related	M	W	U	M	W	U	M	W	U	M	W	U	Yes	No	In Progress	Renewal
Other Institutions (Council)	10.0%	23.8%	1	2				3	1	1	1										1		1	1
Other Institutions (General Board)																								
School of Arts and Humanities																								
School of the Biological Sciences	8.8%	30.9%	1	5	3	9			1			6	2								4			5
School of Clinical Medicine	16.3%	16.3%	1				1								1						1			
School of the Humanities and Social Sciences	24.8%	160.2%	5	3		8			2			4			1	1					4	3		1
School of the Physical Sciences	10.5%	50.0%	3	2	1	6			1			3				1				1	2	2	1	1
School of Technology	6.5%	205.8%	2	7	3	11		1	8			1	1	1	1						3		1	8
Unified Administrative Service	38.5%	50.4%	1	1				2	1		1												1	1
Grand Total	**6.5%**	**205.8%**	**14**	**20**	**7**	**34**	**1**	**6**	**14**	**1**	**2**	**14**	**3**	**1**	**3**	**2**				**1**	**15**	**5**	**4**	**17**

Notes

Min % and Max % represent %age of market pay value to bottom of grade or band.

M = Men; W = Women; U = Where the gender is unknown as recruitment is yet to be completed.

Recruitment cases include pre-emptive cases. In progress cases represent approved cases where the recruitment or retention outcome is not yet known. Renewal cases are assumed to have been successful but are recorded separately in the data.

5. Salaries over £100,000

(*a*) *Overview of the University Group*[8]

The table below shows changes in salaries (basic salary plus market pay, if applicable) over £100,000 between 2023–24 and 2022–23 in the University Group.

	TOTAL GROUP					
	Clinical Academic		**Non-clinical Academic and other**		**Total number**	
	2024	2023	**2024**	2023	**2024**	2023
£100,001 – £150,000	**193**	176	**539**	403	**732**	579
£150,001 – £200,000	**12**	0	**113**	89	**125**	89
£200,001 – £250,000	**0**	0	**26**	24	**26**	24
£250,001+	**0**	0	**16**	9	**16**	9
Total	**205**	176	**694**	525	**899**	701

Note: Figures based on Regulatory Advice 9: Accounts Direction (OfS 2019.41) published 25 October 2019

The increase in Group employees paid over £100k is mainly due to roles in the Academic University which received a nationally negotiated pay award and the spread of clinical excellence awards for clinical employees.

(*b*) *Detailed breakdown within the University Group*

(*i*) *Academic University*[9]

Overview

Band	**2024**	**No change**	**Moved up from a lower band**	**Moved down from a higher band**	**New employees**	2023
A £100,000 – £150,000	571	332	229	5	5	436
B £150,001 – £200,000	87	47	40			57
C £200,001 – £250,000	18	6	12			11
D £250,001+	8	4	4			4
TOTAL	**684**	**389**	**285**	**5**	**5**	508

Note: Figures based on Regulatory Advice 9: Accounts Direction (OfS 2019.41) published 25 October 2019.

Movement between bands, both up and down, is common. Upward movement can occur due to the annual pay increase (this accounts for the majority of the upward movement this year) and for new starters in the previous year (i.e. those only receiving a part salary during 2022–23). Total remuneration can also change when starting or ending a Head of Department role, changes in market pay for retention purposes, or starting or ending payments for additional duties.

By band, the main reasons for change are:

- *Band A*: National pay award, clinical excellence awards, additional duties, Academic Career Pathway promotions and pay increases as a result of the biennial Professorial Pay Review (PPR);
- *Band B*: National pay award, new starters in 2022–23 receiving their first full-year salary;
- *Band C*: National pay award, new starters in 2022–23 receiving their first full-year salary; and
- *Band D*: National pay award.

[8] The staff of the University Group includes those involved in the core teaching and research activities of the University *together with* the staff of the Property Group, University of Cambridge Investment Management Limited (UCIM), Cambridge University Press & Assessment, and all subsidiary companies, associated trusts and joint ventures.

[9] The staff of the Academic University are defined as those involved in the core teaching and research activities of the University, but *excluding* the staff of the Property Group, University of Cambridge Investment Management Limited (UCIM), Cambridge University Press & Assessment, and all subsidiary companies, associated trusts and joint ventures.

Breakdown by staff group

The chart below shows the breakdown of the Academic University between clinical academic salaries and non-clinical academic salaries:

	Academic University					
	Clinical		**Non-clinical**		**Total number**	
	2024	2023	**2024**	2023	**2024**	2023
£100,001 – £150,000	**193**	176	**378**	260	**571**	436
£150,001 – £200,000	**12**		**75**	57	**87**	57
£200,001 – £250,000	**0**		**18**	11	**18**	11
£250,001+	**0**		**8**	4	**8**	4
	205	176	**479**	332	**684**	508

Note: Figures based on Regulatory Advice 9: Accounts Direction (OfS 2019.41) published 25 October 2019.

(*ii*) *Cambridge University Press & Assessment*

The following chart gives details for Cambridge University Press & Assessment:

	Cambridge University Press & Assessment	
	2024	2023
£100,001 – £150,000	**136**	123
£150,001 – £200,000	**35**	29
£200,001 – £250,000	**8**	12
£250,001+	**6**	3
	185	167

Note: Figures based on Regulatory Advice 9: Accounts Direction (OfS 2019.41) published 25 October 2019.

(*iii*) *Trusts and subsidiaries*

The following chart gives details for trusts and subsidiaries:

	Trusts		**Subsidiaries**	
	2024	2023	**2024**	2023
£100,001 – £150,000	**1**	2	**24**	18
£150,001 – £200,000	**0**	0	**3**	3
£200,001 – £250,000	**0**	0	**0**	1
£250,001+	**0**	0	**2**	2
	1	2	**29**	24

Note: Figures based on Regulatory Advice 9: Accounts Direction (OfS 2019.41) published 25 October 2019.

Subsidiaries include:

- Cambridge Enterprise, 14 FTE (2023: 13 FTE);
- Cambridge Investment Management Ltd (CIML), 4 FTE (2023: 5 FTE; note: the CIML Remuneration and Nominations Committee is responsible for overseeing payments to CIML staff);
- Institute for Manufacturing Education and Consultancy Services (IfM ECS), 4 FTE (2023: 2 FTE);
- Judge Business School Executive Education Limited (JBSEEL), 4 FTE (2023: 2 FTE);
- the Cambridge Centre for Advanced Research and Education in Singapore (CARES), 1 FTE (2023: no change);
- the PHG Foundation, 1 FTE (2023: no change);
- The Cambridge Institute for Sustainability Leadership (Belgium), 1 FTE (2023: 0 FTE); and
- Innovate Cambridge Ltd (previously called Cambridge&), 1 FTE (2023: 0 FTE).

Trusts include:

- Cambridge Commonwealth European and International Trust, 1 FTE (2023: no change); and
- the Gates Cambridge Trust, 0 FTE (2023: 1 FTE).

(*c*) *Compensation for ending employment*

Across the Group, a total of 414 payments were made in the year to staff for the ending of employment (e.g. settlement agreements, redundancy payments, and termination of fixed-term contracts).

Compensation for loss of office	**2023–24**		2022–23	
	Number	**£'000**	Number	£'000
Academic University	**353***	**1,796**	328*	2,095
Fitzwilliam Museum (Enterprises) Limited	**–**	**–**	–	–
Cambridge University Press & Assessment	**61**	**2,659**	63	2,273
JBS Executive Education Ltd	**0**	**–**	1	30
Total	**414**	**4,455**	392	4,398

* *The figures excluding the termination of fixed-term contracts are 37 cases costing £635k (2023: 34 cases costing £876k).*

(*d*) *Definition of pay*

Pay is defined by the OfS as follows. Whilst the definition changed in the early years of publication of the Remuneration Committee's report, it has remained stable for the past five years.

Pay element	*OfS current definition*
Basic salary	✓
Market pay supplements / retention payments / enhancements	✓
Bonus	Not included
Local and National Clinical Excellence Award payments	Not included
Pension cash supplements	Not included
Additional programmed activity payments (Clinical academic staff only)	Not included
Wellcome Trust Merit Awards	Not included

All the definitions have defined the pay bandings before salary sacrifice arrangements, and excluding employer pension contributions.

Higher pay banding

Based on latest OfS definitions

TOTAL GROUP

	Clinical		**Non-Clinical**		**Total number**	
	2024	2023	**2024**	2023	**2024**	2023
£100,001–£105,000	**11**	32	**102**	82	**113**	114
£105,001–£110,000	**18**	35	**78**	73	**96**	108
£110,001–£115,000	**16**	23	**81**	50	**97**	73
£115,001–£120,000	**29**	11	**59**	55	**88**	66
£120,001–£125,000	**12**	54	**56**	29	**68**	83
£125,001–£130,000	**27**	8	**42**	28	**69**	36
£130,001–£135,000	**58**	6	**46**	39	**104**	45
£135,001–£140,000	**7**	3	**37**	15	**44**	18
£140,001–£145,000	**7**	4	**20**	17	**27**	21
£145,001–£150,000	**8**	0	**18**	15	**26**	15
£150,001–£155,000	**3**	0	**12**	9	**15**	9
£155,001–£160,000	**1**	0	**23**	22	**24**	22
£160,001–£165,000	**3**	0	**14**	12	**17**	12
£165,001–£170,000	**1**	0	**14**	11	**15**	11
£170,001–£175,000	**2**	0	**10**	6	**12**	6
£175,001–£180,000	**0**	0	**9**	9	**9**	9
£180,001–£185,000	**1**	0	**6**	7	**7**	7
£185,001–£190,000	**0**	0	**11**	5	**11**	5
£190,001–£195,000	**0**	0	**9**	5	**9**	5

Based on latest OfS definitions

TOTAL GROUP

	Clinical		**Non-Clinical**		**Total number**	
	2024	2023	**2024**	2023	**2024**	2023
£195,001–£200,000	**1**	0	**5**	3	**6**	3
£200,001–£205,000	**0**	0	**3**	2	**3**	2
£205,001–£210,000	**0**	0	**4**	1	**4**	1
£210,001–£215,000	**0**	0	**1**	3	**1**	3
£215,001–£220,000	**0**	0	**4**	7	**4**	7
£220,001–£225,000	**0**	0	**6**	3	**6**	3
£225,001–£230,000	**0**	0	**2**	0	**2**	0
£230,001–£235,000	**0**	0	**3**	2	**3**	2
£235,001–£240,000	**0**	0	**1**	3	**1**	3
£240,001–£245,000	**0**	0	**1**	1	**1**	1
£245,001–£250,000	**0**	0	**1**	2	**1**	2
£250,001–£255,000	**0**	0	**1**	2	**1**	2
£255,001–£260,000	**0**	0	**2**	0	**2**	0
£260,001–£265,000	**0**	0	**2**	1	**2**	1
£265,001–£270,000	**0**	0	**2**	1	**2**	1
£275,001–£280,000	**0**	0	**2**	0	**2**	0
£285,001–£290,000	**0**	0	**1**	0	**1**	0
£310,001–£315,000	**0**	0	**0**	1	**0**	1
£330,001–£335,000	**0**	0	**1**	0	**1**	0
£355,001–£360,000	**0**	0	**0**	1	**0**	1
£360,001–£365,000	**0**	0	**0**	1	**0**	1
£365,001–£370,000	**0**	0	**0**	0	**0**	0
£370,001–£375,000	**0**	0	**1**	0	**1**	0
£375,001–£380,000	**0**	0	**0**	0	**0**	0
£380,001–£385,001	**0**	0	**1**	0	**1**	0
£405,001–£410,000	**0**	0	**1**	0	**1**	0
£410,001–£415,000	**0**	0	**0**	0	**0**	0
£415,001–£420,000	**0**	0	**0**	1	**0**	1
£420,001–£425,000	**0**	0	**0**	0	**0**	0
£425,001–£430,000	**0**	0	**0**	0	**0**	0
£430,001–£435,000	**0**	0	**0**	0	**0**	0
£435,001–£440,000	**0**	0	**1**	0	**1**	0
£505,001–£510,000	**0**	0	**0**	1	**0**	1
£535,001–£540,000	**0**	0	**1**	0	**1**	0
Total	**205**	176	**694**	525	**899**	701

Note: Clinical staff are not on the University's pay scales.

Annex 1

General principles behind the University's overall approach to remuneration

1. Operating environment and markets

The University is proud to be one of the world's leading academic centres and is committed to attracting the most talented staff and students from the UK and from overseas to further that mission.

The University ranks in the top five in international league tables for the quality of its research. Cambridge can claim 125 Nobel Prize winners.[1]

The University remains financially strong with an Aa1 (negative) rating from Moody's, a balance sheet of £7.1 billion, and a well-performing endowment fund of £4.1 billion that has, over the past several years, achieved compound returns above its benchmark.

The wider University Group includes Cambridge University Press & Assessment (CUP&A). Its qualifications, assessments, publications and original research spread knowledge, spark enquiry and aid understanding for millions of people around the world. CUP&A is the world's largest provider of educational programmes and qualifications for five to 19-year-olds, publishes more than 400 peer-reviewed journals, thousands of books and monographs and delivers assessment to eight million learners in more than 170 countries.

Across the Group, the University has an annual income of over £2.9 billion. Research income, won competitively from the UK Research Councils, the European Union (EU), major charities and industry, exceeds £560 million per annum. The Academic University has more than 11,500 staff, with a further 5,500 employed by its subsidiaries. Of the Academic University's staff, approximately half are employed on academic or research contracts.

2. Fundamental reward principles guiding decisions related to remuneration of all staff

The HR Committee and the Remuneration Committee agreed[2] a set of Reward Principles to guide all decisions relating to remuneration taken at the University:

- A recognition of the need for the University to operate in a competitive local, national and international market for the most talented staff. Our reward strategy needs to offer sufficiently competitive reward packages to attract and retain staff to help the institution retain its leading position in research and teaching.
- All staff should be rewarded in a way which demonstrates fairness and consistency, paying due attention to addressing pay gaps and appropriately valuing the contributions of all staff.
- An acknowledgement that while pay and benefits are central, non-financial or intangible mechanisms are also important and should form part of our attractive total award approach.
- Remuneration must be affordable and consistent with the charitable status of the University.
- A commitment to transparency so that our staff, students, regulators and other stakeholders can have confidence in how we use our resources.
- Recognition of the higher than average cost of living in Cambridge, and the impact this has on our staff.

3. Policies and procedures guiding the remuneration of staff

The University has established a number of procedures and policies to guide the remuneration of staff drawing on the principles identified above. These include schemes to reward significant contribution to the University (which for senior academics can also include promotion); and schemes to recognise difficulties in recruitment and retention and where individuals take on responsibilities in addition to their normal duties. Details of these schemes are included in paragraph 8 below.

Factors in considering remuneration proposals for senior staff

At **recruitment** the factors taken into account when developing the total remuneration package include:

- appropriate remuneration needed to attract and appoint senior staff;
- current remuneration;
- benchmarked salary data for similar roles, from UCEA, the Russell Group Survey and where available and relevant, international salary surveys;
- the extent to which the individual has a demonstrable record of achievement (and how this could transfer to the role in question) in areas identified as being of strategic importance to the institution;
- the extent to which the individual has demonstrated staff development and strategic leadership in their area(s); and
- for senior clinical academic roles, the appointment package will be in line with their existing NHS national pay and conditions, including any Clinical Excellence Awards in payment, together with payment for any additional clinical activity.

For cases of **retention**, the factors set out in the University's procedures include:

- a managerial business case and evidence, including the impact that would or would be likely to occur if the individual was not retained and why they would be difficult to replace;
- evidence of exceptional contribution and achievements for which the individual is responsible and which demonstrate the furtherance of the University's mission;
- implications of the loss of the employee to the organisation, including organisational performance; internal relativities; gender pay position; reputation; student and teaching impact; research impact;
- evidence of any offer of alternative employment or approach from another university / organisation; and
- salary data including external and internal relativities and benchmarks.

[1] See https://www.cam.ac.uk/research/research-at-cambridge/nobel-prize.
[2] Approved on 24 February 2020.

The University draws data from many sources to support senior staff remuneration decisions. These include:

- annual participation in the UCEA, Russell Group and CUC salary surveys and provision of an analysis of these data to the Remuneration Committee to show the University's position in the market. These data are used in the consideration of the Vice-Chancellor's remuneration and during discussions about the recruitment or retention of Professorial and senior staff; and
- internal comparisons of pay for similar senior academic and professional services roles and a gender pay analysis. In March 2024, the University published its 2023 Gender Pay Gap Report.[3] The report showed a reduction on the previous year for the Academic University of 1.2% in the mean gender pay gap. Unfortunately, the median increased from 8.4% to 10.4%. However, this is still lower than it was prior to 2022 when it was 11.1%.

4. Job evaluation, pay awards and pension schemes

For most roles, the University uses the HERA job evaluation method. This does not apply to the Professorial bands (in Grade 12, the highest grade), where movement through the bands is based on meeting the criteria for each of the Professorial levels under the headings of research, teaching and general contribution.

The University is a member of UCEA and participates in the national pay negotiations. The University's policy is to implement the outcomes of the pay negotiations across all staff, with the exception of clinical academic staff where the University applies the NHS pay uplifts once agreed nationally.

The University operates the following principal pension schemes:

- Universities Superannuation Scheme (USS);
- Cambridge University Assistants' Contributory Pension Scheme (CPS);
- National Health Service Pension Scheme (NHSPS);
- Cambridge Colleges' Federated Pension Scheme (CCFPS).

5. Performance-related pay

The Academic University does not operate a specific performance-related pay scheme, other than the NHS scheme for some senior clinicians (who are not on the University's pay scales).

In normal years, Grade 12 post-holders can progress through the Professorial Pay Review scheme (for Professorial roles) or the Contribution Reward Scheme (for academic-related roles).

Staff at Cambridge University Press & Assessment also have bonus arrangements which are assessed by their own remuneration committees and reported to their respective Boards.

6. Expenses policy

The University's expenses policy is included in the Financial Procedures Manual.[4] It applies to all University staff.

7. Policy on income derived from external activities

The University does not have a specific policy on income derived from private consultancy. However, staff have a contractual requirement with respect to any external activities they undertake which states:

> *The University does not expect to be informed about remuneration from private work and consultancy. Such work, however, must not interfere with the performance of the duties of your office or post. If you are in any doubt about this you should consult your head of institution. If you undertake any work in a private capacity or act as a consultant, you should be clear that you undertake such work at your own risk, and that the University must not be involved in any such arrangements. University letterheads or other facilities must not be used.*

8. Reward and progression schemes

The University operates a number of contribution reward and progression schemes. Details of the current schemes can be found on the University website: https://www.hr.admin.cam.ac.uk/pay-benefits/reward-schemes. These include:

- Professorial Pay Review
- Academic Careers Pathways (Research and Teaching) Scheme
- Academic Careers Pathways (Teaching and Scholarship) Scheme
- Contribution Increment Scheme for Researchers
- Senior Researcher Promotions
- Contribution Reward Scheme for Academic-Related Staff in Grade 12
- Contribution Reward Scheme (for academic-related and assistant staff in Grades 1–11)
- Additional Responsibility Payments
- Market Pay
- Advanced Contribution Supplements
- Recruitment incentive schemes

The University's promotion processes apply to academic staff only. For all other categories of staff, promotion occurs through the advertising of vacancies and an application and selection process including interviews.

For senior staff (Grades 11, 12 and those above the scale), there is no automatic incremental progression, only the annual nationally negotiated uplift in the salary scale points. For staff in grades up to Grade 10, annual automatic incremental progression applies.

[3] Available from https://www.equality.admin.cam.ac.uk/equality-reports.

[4] See https://www.finance.admin.cam.ac.uk/policy-and-procedures/financial-procedures.

Professorial Pay Review

The Professorial Pay Review (PPR) is a biennial scheme that enables Grade 12 Professors to apply for progression, should they wish to. The process involves the applicant supplying evidence of achievement during the period covered by an application.

As a result of a review of the scheme in 2021–22, several changes were introduced for the 2022–23 round. Further changes were approved for the 2024–25 round which include changing the name of the scheme to Academic Career Pathways (Grade 12) (ACP (12)) and future-dating awards to the October following completion of the scheme.

Academic Careers Pathways (*Research and Teaching*) *scheme*

The Academic Career Pathways (Research and Teaching) scheme (ACP R&T) allows eligible academic staff to apply for promotion to the offices of Associate Professor (Grade 10), Professor (Grade 11), Professor (Grade 12) and Clinical Professor. Staff holding a Grade 9 office or unestablished post with curatorial, conservation and associated responsibilities in the Museum of Archaeology and Anthropology, the Whipple Museum of the History of Science and the Fitzwilliam Museum are also eligible to apply for promotion to Grade 10, although on promotion their title will be determined by the employing department, i.e. their title will not be Associate Professor (Grade 10).

The ACP R&T scheme also includes a pay progression scheme for Associate Professors at Grade 10.

Academic Careers Pathways (*Teaching and Scholarship*) *scheme*

The Academic Career Pathways (Teaching and Scholarship) scheme (ACP T&S) allows eligible academic (teaching and scholarship) staff to apply for promotion to the following positions:

For established staff:

- Professor (Grade 12)
- Clinical Professor
- Professor (Grade 11)
- Associate Professor (Grade 10)

For unestablished staff:

- Teaching Professor (Grade 12)
- Clinical Teaching Professor
- Teaching Professor (Grade 11)
- Associate Teaching Professor (Grade 10)
- Associate Teaching Professor (Grade 9)
- Senior Teaching Associate (Grade 8)
- Teaching Associate (Grade 7)

The ACP T&S scheme also includes two pay progression schemes; one for Associate Professors and Associate Teaching Professors at Grade 10, and one for Teaching Associates at Grades 6 and 7, and Senior Teaching Associates at Grade 8.

Researcher Contribution Increment Scheme

This termly scheme allows Departments to reward research staff on the basis of outstandingly good work in comparison with others of the same grade and for which some additional recompense is appropriate; or on the basis of the need to retain the specialist skills possessed by a particular member of staff who would otherwise be likely to seek a more highly paid appointment elsewhere.

Senior Researcher Promotions Scheme

The Senior Researcher Promotions scheme is run annually, following the same timeframes as the Academic Career Pathways schemes, and offers eligible staff the opportunity to apply for promotion to Principal Research Associate (PRA) at Grade 11, and Director of Research (DoR) at Grade 12.

Contribution Reward Scheme for Academic-Related Staff in Grade 12

The University operates an annual contribution reward scheme for Academic-Related staff in Grade 12. To be eligible for consideration, individuals must have been in post and performing their duties at their current grade for at least one year prior to the effective date of the award.

The scheme comprises two components, which are explained below. Eligible employees may be nominated for one award, i.e., either a contribution increment or a single contribution payment, in each annual exercise.

- Contribution increments are awarded in recognition of exceptional contribution;
- Single Contribution Payments are awarded to employees who have reached the top spine point for their band within Grade 12, or in recognition of their contribution in relation to a short term piece of work. Payments are paid at 3% of base salary (pro-rated).

It is normally expected nominations for an award under this scheme will be submitted by the eligible employee’s line manager, although eligible employees may also nominate themselves for an award.

Nominations are considered by an appropriate Senior Reviewer, who will put forward recommendations to the Vice-Chancellor’s Advisory Committee for Awards to Professional Services Staff (Grade 12).

Contribution Reward Scheme for Academic-Related and Assistant Staff in Grades 1–11

The University operates an annual contribution reward scheme for Academic-Related and Assistant Staff in Grades 1 to 11. The scheme has two components, which are explained below. Eligible employees may be nominated for one award, i.e. either a contribution increment or a single contribution payment, in each annual exercise.

1. *Contribution Increments* (*for sustained / ongoing contribution*)

   The award of up to three additional increments (in the normal pay range or in the contribution range for the grade) to recognise an individual's outstanding contribution over and above the normal expectation for the role, over a period of the last twelve months.

2. *Single Contribution Payments* (*for one-off / time-limited contribution*)

   The award of one-off payments of 3% (individual awards) or 2% (team awards) of salary to recognise an individual's outstanding contribution, over and above the normal expectation for the role, in the context of a one-off task or project that is finite in nature.

Additional Responsibility Payments

Additional Responsibility Payments can be made to employees who are taking on additional responsibilities over and above those set out in their job description and at a higher level, with the agreement of their institution. Examples include, if the employee is taking on additional higher-graded duties for a percentage of time rather than for their full hours; or for temporary acting-up duties. Additional Responsibility Payments can be paid to Academic, Academic-Related and Assistant staff irrespective of grade or type.

Market Pay

In terms of market pay considerations, the grade of a role is determined using the Higher Education Role Analysis (HERA) scheme. Where evidence indicates that similar posts outside the University command a higher salary than that determined by role analysis, it may be appropriate to request a Market Pay award in order to secure the recruitment or retention of an individual. Market Pay was initially aimed at Assistant and Academic-Related posts where a particular specialist skill exists, but the use of Market Pay awards being used to recruit or retain academic staff where there are particular pay pressures in the discipline has increased in recent years.

Advanced Contribution Supplements

In view of the difficulties experienced in defining the 'market' in relation to academic posts, where justified, an Advanced Contribution Supplement (ACS) may be awarded as a means of supplementing the salary of an academic member of staff for retention or recruitment purposes. An ACS is awarded on the expectation that an individual will reach a certain level of achievement (normally no more than five years ahead).

Contribution reward and progression schemes apply to all employees on the single salary scale.

Recruitment incentive schemes

Recruitment incentive payments are one-off, taxable, *ex gratia* payments that do not form part of the employee's salary. Payments can only be made to individuals taking up their first appointment at the University. The award of a payment is conditional upon the employee completing at least three years of service; repayments are required if the employee leaves before that time is up. All requests for recruitment incentive payments must be considered by the Head of the relevant School, and by the Registrary in the case of Council institutions.

Other recruitment incentives available to staff include:

- the *rental deposit loan scheme*, which provides an interest-free loan of up to £3,000. This can be used for some of the costs associated with private rental accommodation, such as initial deposit, first month's rent and other fees;
- the *shared equity scheme* is available to new permanent members of staff (Grade 7 and above) and holders of certain fellowships, to help with the purchase of living accommodation if they have to relocate to take up their appointment. Under the scheme, the University may make a contribution towards the capital cost of purchasing a property close to, or within Cambridge, and would hold a share of the equity in proportion to its capital contribution;
- the *visa loan scheme*. The University recognises that UK immigration fees present a considerable burden for non-EEA staff, particularly members of the postdoctoral community who may struggle to meet these costs for themselves and their families. The scheme offers an interest-free loan for prospective staff and their dependants, up to a certain value, which staff members can use toward meeting the costs of these visas; and
- *relocation expenses*. This scheme provides financial assistance of up to £8,000 with relocation costs for moves within the UK and from overseas. The scheme is open to all newly appointed centrally funded staff.