

## NOTES TO THE ACCOUNTS

	2008 £m	2007 £m
<b>1 Funding Council and Training and Development Agency grants</b>		
<b>Higher Education Funding Council for England (HEFCE)</b>		
Recurrent grant	172.0	162.1
Specific grants	12.4	10.2
Deferred capital grant released in year (note 24)		
Equipment	5.9	4.4
Buildings	8.7	3.1
<b>HEFCE total</b>	<b>199.0</b>	179.8
<b>Training and Development Agency for Schools</b>		
Recurrent grant	3.2	3.4
	<b>202.2</b>	183.2
<b>2 Academic fees and support grants</b>		
Full-time home / EU students	34.8	27.4
Full-time overseas (non-EU) students	36.2	31.0
Part-time course fees	5.6	8.6
Research Training Support Grants	0.7	0.8
	<b>77.3</b>	67.8
<b>3 Income: research grants and contracts</b>		
Research councils	112.3	93.2
UK based charities	68.6	60.6
Other bodies	62.2	57.7
	<b>243.1</b>	211.5
<b>4 Examination and assessment services</b>		
Examination fees	203.0	180.0
Other examination and assessment services	12.8	12.7
	<b>215.8</b>	192.7
<b>5 Publishing and printing services</b>		
Publishing services	158.8	146.8
Printing services	15.3	6.4
	<b>174.1</b>	153.2
<b>6 Other income</b>		<i>Restated</i>
Other services rendered	25.3	23.3
Health and hospital authorities	11.0	10.8
Residences, catering and conferences	7.6	8.1
Arts & Humanities Research Council museum grant	1.7	1.7
University companies	16.8	12.1
Released from deferred capital grants (note 24)	8.8	5.1
General donations	11.0	8.8
Rental income	5.8	4.7
Sundry income	14.6	10.9
	<b>102.6</b>	85.5

**NOTES TO THE ACCOUNTS (continued)**

	<b>2008</b>	2007
	<b>£m</b>	£m
<b>7 Endowment and investment income</b>		<i>Restated</i>
Income from expendable endowment asset investments	<b>10.5</b>	11.0
Income from permanent endowment asset investments	<b>21.9</b>	19.4
Income from fixed asset investments	<b>13.9</b>	12.7
Other investment income	<b>12.6</b>	10.5
	<b>58.9</b>	53.6
<b>8 Staff costs</b>	<b>2008</b>	2007
	<b>£m</b>	£m
Wages and salaries	<b>383.0</b>	350.3
Social security costs	<b>33.2</b>	32.6
Pension costs (note 31)	<b>51.2</b>	52.4
	<b>467.4</b>	435.3
Exceptional item: post-retirement benefits attributable to past service (note 23)	<b>14.2</b>	–
	<b>481.6</b>	435.3
<b>Emoluments of the Vice-Chancellor</b>	<b>2008</b>	2007
	<b>£000</b>	£000
Emoluments excluding employer's pension contributions	227	204
Employer's pension contributions	–	–
	<b>227</b>	204

**Remuneration of higher paid staff, excluding employer's pension contributions:**

The numbers in each band have been analysed by segment (see note 11)

	Education and research		Assessment and Press	2008 Total	2007 Total
	Clinical	Non-Clinical			
£100,001–£110,000	<b>14</b>	<b>28</b>	<b>4</b>	<b>46</b>	35
£110,001–£120,000	<b>6</b>	<b>15</b>	<b>7</b>	<b>28</b>	15
£120,001–£130,000	<b>5</b>	<b>7</b>	<b>4</b>	<b>16</b>	15
£130,001–£140,000	<b>8</b>	<b>3</b>	<b>2</b>	<b>13</b>	13
£140,001–£150,000	<b>11</b>	<b>3</b>	–	<b>14</b>	10
£150,001–£160,000	<b>11</b>	<b>4</b>	<b>3</b>	<b>18</b>	12
£160,001–£170,000	<b>3</b>	<b>3</b>	–	<b>6</b>	2
£170,001–£180,000	<b>3</b>	<b>2</b>	–	<b>5</b>	5
£180,001–£190,000	<b>5</b>	–	–	<b>5</b>	6
£190,001–£200,000	<b>4</b>	<b>1</b>	<b>1</b>	<b>6</b>	2
£200,001–£210,000	<b>2</b>	–	–	<b>2</b>	3
£210,001–£220,000	–	–	–	–	1
£220,001–£230,000	<b>1</b>	<b>1</b>	–	<b>2</b>	–
£230,001–£240,000	–	–	–	–	–
£240,001–£250,000	–	–	–	–	1
£250,001–£260,000	–	–	–	–	–
£260,001–£270,000	–	–	<b>1</b>	<b>1</b>	–

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

**NOTES TO THE ACCOUNTS (continued)****9 Analysis of expenditure by activity**

	Staff costs £m	Other operating expenses £m	Depreciation £m	Interest payable £m	2008 Total £m	2007 Restated £m
Academic departments	163.2	29.4	10.3	–	202.9	186.3
Academic services	19.7	9.1	0.6	–	29.4	27.5
Payments to Colleges (see note 34)	–	36.0	–	–	36.0	34.7
Research grants and contracts	106.8	89.3	8.4	–	204.5	182.1
Other activities:						
Examinations and assessment services	54.4	125.8	5.8	–	186.0	176.2
Publishing and printing services	74.1	110.0	3.0	0.5	187.6	153.3
Other services rendered	7.8	15.3	0.1	–	23.2	22.5
University companies	3.6	12.2	0.1	–	15.9	10.3
Residences, catering and conferences	3.0	7.3	0.1	–	10.4	10.6
Other activities total	142.9	270.6	9.1	0.5	423.1	372.9
Administration and central services:						
Administration	28.9	8.7	1.9	–	39.5	33.5
General educational	3.3	30.4	0.1	–	33.8	28.3
Staff and student facilities	3.0	0.5	–	–	3.5	3.3
Development Office	2.3	3.5	–	–	5.8	4.8
Other	1.0	1.4	–	–	2.4	4.7
Administration and central services total	38.5	44.5	2.0	–	85.0	74.6
Premises	10.5	34.4	29.3	–	74.2	67.5
<b>Total per income and expenditure account</b>	<b>481.6</b>	<b>513.3</b>	<b>59.7</b>	<b>0.5</b>	<b>1,055.1</b>	<b>945.6</b>

The depreciation charge has been funded by:

Deferred capital grants (note 24)	31.7
Revaluation reserve (note 26)	6.0
General income	22.0
	<u>59.7</u>

**Auditors' remuneration**

2008	2007
£000	£000

Other operating expenses include:

Audit fees payable to the University's external auditors in respect of the audit of the University's financial statements	225	221
Other fees payable to the University's external auditors	174	27
Audit fees payable to other firms	354	391
	<u>753</u>	<u>639</u>

These amounts include related irrecoverable VAT.

**10 Surplus on continuing operations**

2008	2007
£m	£m
	<i>Restated</i>

The surplus on continuing operations before donations of heritage assets and exceptional items for the year is made up as follows:

University's surplus for the year	11.5	5.8
Surplus generated by subsidiary undertakings and transferred to the University under gift aid	1.2	1.6
	<u>12.7</u>	<u>7.4</u>
Surplus dealt with in the accounts of the University	2.8	(4.2)
Group level adjustments re defined benefit schemes	12.0	5.1
Surplus retained in subsidiary undertakings	<u>27.5</u>	<u>8.3</u>

**NOTES TO THE ACCOUNTS (continued)****11 Segmental reporting**

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

**Education and research**

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

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

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

	Segment total income £m	Inter- segment income £m	Income from third parties £m	Surplus / (deficit) £m	Net assets £m
<b>Year ended 31 July 2008</b>					
Education and research	685.8	11.0	674.8	13.7	2,183.4
Assessment	221.5	–	221.5	24.6	190.5
Press	186.4	10.5	175.9	(11.6)	61.5
	<b>1,093.7</b>	<b>21.5</b>	<b>1,072.2</b>	<b>26.7</b>	<b>2,435.4</b>
Unallocated re Contributory Pension Scheme	1.8	–	1.8	0.8	(114.7)
Group	<b>1,095.5</b>	<b>21.5</b>	<b>1,074.0</b>	<b>27.5</b>	<b>2,320.7</b>
<b>Year ended 31 July 2007 (restated)</b>					
Education and research	604.8	9.3	595.5	(3.0)	2,221.4
Assessment	197.1	–	197.1	14.4	176.8
Press	165.1	9.1	156.0	2.2	98.5
	967.0	18.4	948.6	13.6	2,496.7
Unallocated re Contributory Pension Scheme	(1.1)	–	(1.1)	(4.5)	(58.6)
Group	965.9	18.4	947.5	9.1	2,438.1

**NOTES TO THE ACCOUNTS (continued)****12 Prior year adjustments**

The University has changed its accounting policies in two respects:

- a In previous years donations for restricted purposes, other than those to be spent on tangible fixed assets and those to be invested for the longer term, were included in current liabilities on receipt and released into income to match expenditure. These were referred to as specific donations. In accordance with the requirements of the SORP, all such donations are now credited to expendable restricted endowments on receipt.
- b In previous years donations of, and for the acquisition of, heritage assets, were credited to deferred capital grants. In view of the non-depreciation of heritage assets, the accounting policy has been reviewed and such donations are now credited to the income and expenditure account in the period of acquisition of the related asset.

Comparative figures have been restated to reflect the revised accounting policies. The effect of the prior year adjustments on the result for the year is as follows.

	<b>2008</b>	2007
	<b>£m</b>	£m
Surplus for the year under previous accounting policies	<b>31.7</b>	16.4
Specific donations classified as endowments	<b>(12.8)</b>	(10.7)
Donations of heritage assets	<b>8.6</b>	3.4
Surplus before transfer from restricted endowments as stated	<b>27.5</b>	9.1

The effect of these changes on net assets is as follows:

	<b>Group</b>	Group	<b>University</b>	University
	<b>2008</b>	2007	<b>2008</b>	2007
	<b>£m</b>	£m	<b>£m</b>	£m
Reduction in deferred capital grants	<b>(29.4)</b>	(20.8)	<b>(29.4)</b>	(20.8)
Increase in endowments	<b>29.4</b>	26.7	<b>28.4</b>	25.7
Increase in reserves	<b>29.4</b>	20.8	<b>29.4</b>	20.8
Net increase in net assets	<b>29.4</b>	26.7	<b>28.4</b>	25.7
Net assets under previous accounting policies	<b>2,291.3</b>	2,411.4	<b>2,076.3</b>	2,130.3
Net assets as restated	<b>2,320.7</b>	2,438.1	<b>2,104.7</b>	2,156.0

**NOTES TO THE ACCOUNTS (continued)**

<b>13 Tangible fixed assets</b>	<b>Land and buildings</b>	<b>Assets in construction</b>	<b>Equipment</b>	<b>Heritage assets</b>	<b>2008 Total</b>	<b>2007 Total</b>
<i>Group</i>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Cost or valuation</b>						
At 1 August	<b>1,007.9</b>	<b>44.3</b>	<b>198.0</b>	<b>21.4</b>	<b>1,271.6</b>	1,209.1
Additions at cost	<b>4.2</b>	<b>64.0</b>	<b>42.0</b>	<b>8.9</b>	<b>119.1</b>	108.1
Transfers	<b>53.7</b>	<b>(53.7)</b>	–	–	–	–
Disposals	<b>(0.6)</b>	–	<b>(19.6)</b>	–	<b>(20.2)</b>	(44.8)
Currency adjustments	<b>0.4</b>	–	<b>0.2</b>	–	<b>0.6</b>	(1.7)
At 31 July	<b>1,065.6</b>	<b>54.6</b>	<b>220.6</b>	<b>30.3</b>	<b>1,371.1</b>	1,270.7
<b>Depreciation</b>						
At 1 August	<b>153.3</b>	–	<b>135.4</b>	–	<b>288.7</b>	278.3
Charge for the year	<b>32.0</b>	–	<b>27.7</b>	–	<b>59.7</b>	48.0
Elimination on disposals	<b>(0.5)</b>	–	<b>(18.4)</b>	–	<b>(18.9)</b>	(38.1)
Currency adjustments	<b>0.1</b>	–	<b>0.6</b>	–	<b>0.7</b>	(0.4)
At 31 July	<b>184.9</b>	–	<b>145.3</b>	–	<b>330.2</b>	287.8
<b>Net book value</b>						
At 31 July	<b>880.7</b>	<b>54.6</b>	<b>75.3</b>	<b>30.3</b>	<b>1,040.9</b>	982.9
At 1 August	854.6	44.3	62.6	21.4	982.9	930.8
<b>University</b>						
<b>Cost or valuation</b>						
At 1 August	<b>1,000.2</b>	<b>44.5</b>	<b>192.7</b>	<b>21.4</b>	<b>1,258.8</b>	1,196.8
Additions at cost	<b>4.4</b>	<b>63.1</b>	<b>39.6</b>	<b>8.9</b>	<b>116.0</b>	105.2
Transfers	<b>53.7</b>	<b>(53.7)</b>	–	–	–	–
Disposals	<b>(0.6)</b>	–	<b>(30.1)</b>	–	<b>(30.7)</b>	(41.4)
Currency adjustments	<b>0.4</b>	–	<b>0.1</b>	–	<b>0.5</b>	(1.8)
At 31 July	<b>1,058.1</b>	<b>53.9</b>	<b>202.3</b>	<b>30.3</b>	<b>1,344.6</b>	1,258.8
<b>Depreciation</b>						
At 1 August	<b>149.1</b>	–	<b>131.3</b>	–	<b>280.4</b>	270.4
Charge for the year	<b>31.6</b>	–	<b>26.5</b>	–	<b>58.1</b>	47.2
Elimination on disposals	<b>(0.5)</b>	–	<b>(25.5)</b>	–	<b>(26.0)</b>	(36.8)
Currency adjustments	<b>0.1</b>	–	<b>0.1</b>	–	<b>0.2</b>	(0.4)
At 31 July	<b>180.3</b>	–	<b>132.4</b>	–	<b>312.7</b>	280.4
<b>Net book value</b>						
At 31 July	<b>877.8</b>	<b>53.9</b>	<b>69.9</b>	<b>30.3</b>	<b>1,031.9</b>	978.4
At 1 August	851.1	44.5	61.4	21.4	978.4	926.4

Land and buildings includes freehold land totalling £75.1m (2007: £75.1m) which is not depreciated.

The net book value of land and buildings at the year end on a historical cost basis would be: Group £729.3m (2007: £697.2m); University £726.4m (2007: £693.7m). All other tangible fixed assets are stated at cost less accumulated depreciation.

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

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

**NOTES TO THE ACCOUNTS (continued)**

<b>14 Intangible fixed assets: goodwill and others</b>	<b>Group 2008 £m</b>	<b>Group 2007 £m</b>	<b>University 2008 £m</b>	<b>University 2007 £m</b>
Opening balance	5.7	8.0	5.0	6.8
Amortisation charge for the year	(1.8)	(2.2)	(1.5)	(1.7)
Currency adjustments	(0.1)	(0.1)	–	(0.1)
Closing balance	<b>3.8</b>	5.7	<b>3.5</b>	5.0
<b>15 Fixed asset investments</b>		<i>Restated</i>		<i>Restated</i>
Opening balance as previously stated	<b>413.1</b>	369.6	<b>316.3</b>	291.7
Reclassification of holdings formerly included as current asset investments	<b>(5.1)</b>	(4.6)	<b>(5.2)</b>	(4.6)
Restated opening balance	<b>408.0</b>	365.0	<b>311.1</b>	287.1
Net additions in the year	<b>7.3</b>	6.9	<b>5.2</b>	6.5
(Decrease) / increase in market value of investments	<b>(45.8)</b>	36.0	<b>(32.5)</b>	17.5
Closing balance	<b>369.5</b>	407.9	<b>283.8</b>	311.1
Represented by:				
Property	<b>68.3</b>	64.6	<b>61.8</b>	55.9
Securities	<b>210.7</b>	298.3	<b>136.3</b>	204.2
Money market investments	<b>79.9</b>	31.1	<b>66.0</b>	24.9
Investments in subsidiary undertakings	–	–	<b>17.2</b>	21.2
Investment in spin-out companies (see note 32)	<b>10.3</b>	10.4	<b>2.2</b>	2.2
Cash in hand and at investment managers	–	3.2	–	2.5
Investments in joint ventures	<b>0.1</b>	0.1	<b>0.1</b>	–
Other	<b>0.2</b>	0.2	<b>0.2</b>	0.2
	<b>369.5</b>	407.9	<b>283.8</b>	311.1

Following the change in accounting policy referred to in note 12(a) above, long-term investments held for specific donations, which were in previous years included in fixed asset investments, have been reclassified as endowment assets.

<b>16 Endowment assets</b>		<i>Restated</i>		<i>Restated</i>
Long-term investments				
Property	<b>84.4</b>	99.3	<b>68.2</b>	88.8
Securities	<b>549.2</b>	700.4	<b>399.6</b>	541.8
Money market investments	<b>216.2</b>	104.7	<b>210.0</b>	93.1
Loan to subsidiary undertaking	–	–	<b>2.5</b>	2.6
Cash in hand and at investment managers	<b>4.9</b>	20.5	<b>1.0</b>	10.1
	<b>854.7</b>	924.9	<b>681.3</b>	736.4
Investment in spin-out companies (see note 32)	<b>2.3</b>	2.6	–	–
	<b>857.0</b>	927.5	<b>681.3</b>	736.4

Included in the Group's endowment assets is £165.9m (2007: £179.6m) relating to the Gates Cambridge Trust. The use of these assets is restricted to supporting the University by enabling persons from any part of the world outside the United Kingdom to benefit from education in the University by the provision of scholarships and grants and otherwise. The assets of the Gates Cambridge Trust are therefore not available for the general purposes of the University.

<b>17 Stocks and work in progress</b>				
Goods for resale	<b>37.3</b>	40.0	<b>30.6</b>	36.3
Work in progress	<b>8.0</b>	7.1	<b>6.4</b>	5.3
Other stocks	<b>0.4</b>	0.3	–	0.3
	<b>45.7</b>	47.4	<b>37.0</b>	41.9

**NOTES TO THE ACCOUNTS (continued)**

	<b>Group 2008 £m</b>	Group 2007 £m	<b>University 2008 £m</b>	University 2007 £m
<b>18 Debtors</b>				
Research grants recoverable	<b>62.3</b>	54.7	<b>62.3</b>	54.7
Amounts due from subsidiary undertakings	–	–	<b>32.2</b>	20.9
Debtors re examination and assessment services	<b>48.4</b>	43.8	<b>38.4</b>	34.7
Debtors re publishing and printing	<b>51.2</b>	41.8	<b>68.0</b>	52.6
Other debtors	<b>33.6</b>	29.2	<b>(1.2)</b>	7.3
	<b>195.5</b>	169.5	<b>199.7</b>	170.2
<b>19 Current asset investments</b>		<i>Restated</i>		<i>Restated</i>
Property	<b>0.3</b>	0.8	<b>7.0</b>	10.0
Securities	<b>1.5</b>	2.2	<b>39.5</b>	56.6
Money market investments	<b>208.0</b>	225.7	<b>228.2</b>	242.9
Short-term deposits	<b>17.2</b>	6.3	<b>17.2</b>	8.0
	<b>227.0</b>	235.0	<b>291.9</b>	317.5
Representing:				
University	<b>222.2</b>	229.9	<b>150.3</b>	181.5
Held on behalf of subsidiary undertakings, related parties and other associated bodies (see note 20)	<b>4.8</b>	5.1	<b>141.6</b>	136.0
	<b>227.0</b>	235.0	<b>291.9</b>	317.5
Current asset investments include investments held on behalf of subsidiary undertakings, related parties and other associated bodies. The book value of these investments is included in creditors due within one year.				
Following the change in accounting policy referred to in note 12(a) above, money market investments and short-term deposits held for specific donations, which were in previous years included in current asset investments, have been reclassified as endowment assets.				
<b>20 Creditors: amounts falling due within one year</b>				<i>Restated</i>
Bank overdraft	<b>3.3</b>	8.6	<b>1.9</b>	7.7
Research grants received in advance	<b>84.7</b>	79.1	<b>84.7</b>	79.1
Amounts due to subsidiary undertakings	–	–	<b>22.6</b>	11.9
Creditors re examination and assessment services	<b>37.4</b>	46.8	<b>19.4</b>	27.8
Creditors re publishing and printing	<b>49.6</b>	47.3	<b>45.7</b>	47.2
Other creditors	<b>104.8</b>	93.2	<b>65.5</b>	78.1
Investments held on behalf of subsidiary undertakings, related parties and other associated bodies (see note 19)	<b>4.8</b>	5.1	<b>141.6</b>	136.0
	<b>284.6</b>	280.1	<b>381.4</b>	387.8
<b>21 Creditors: amounts falling due after more than one year</b>				
Amounts due to subsidiary undertakings	–	–	<b>10.6</b>	10.6
Bank loans	<b>5.1</b>	–	<b>5.1</b>	–
Loan from minority interest	<b>2.7</b>	2.7	–	–
	<b>7.8</b>	2.7	<b>15.7</b>	10.6



## NOTES TO THE ACCOUNTS (continued)

**22 Pension liabilities**

The pension liabilities have been measured in accordance with the requirements of FRS 17 and relate to the defined benefit schemes disclosed in note 31.	<b>Group 2008 £m</b>	Group 2007 £m	<b>University 2008 £m</b>	University 2007 £m
Opening balance	<b>79.3</b>	127.0	<b>19.4</b>	27.0
Movement in year:				
Current service cost including life assurance	<b>18.4</b>	22.3	<b>3.9</b>	6.2
Contributions	<b>(20.7)</b>	(19.5)	<b>(5.1)</b>	(6.6)
Other finance (income) / cost	<b>(1.8)</b>	0.3	<b>(0.1)</b>	(0.7)
Currency adjustments	–	–	–	(0.1)
Actuarial loss / (gain) recognised in statement of total recognised gains and losses	<b>82.8</b>	(50.8)	<b>25.2</b>	(6.4)
Closing balance	<b>158.0</b>	79.3	<b>43.3</b>	19.4

**23 Other retirement benefits liability**

<i>Group and University</i>	<b>2008 £m</b>
The liability has been measured in accordance with the requirements of FRS 17 and relates to unfunded post-retirement medical and insurance schemes.	
Liability at 31 July 2007 previously omitted (see note 8)	<b>14.2</b>
Movement attributable to the year:	
Current service cost including life assurance	<b>0.5</b>
Contributions	<b>(0.2)</b>
Other finance cost	<b>0.8</b>
Actuarial gain recognised in statement of total recognised gains and losses	<b>(0.5)</b>
Closing balance	<b>14.8</b>

**24 Deferred capital grants**

<i>Group and University</i>	<b>Funding Council £m</b>	<b>Research Grants £m</b>	<b>Other Grants £m</b>	<b>2008 Total £m</b>	2007 <i>Restated</i> £m
Balance 1 August					
Buildings	<b>143.0</b>	–	<b>279.8</b>	<b>422.8</b>	392.2
Equipment	<b>12.0</b>	<b>15.7</b>	<b>2.0</b>	<b>29.7</b>	27.3
Heritage assets	–	–	<b>20.8</b>	<b>20.8</b>	17.4
Prior year adjustment re heritage assets (see note 12)	–	–	<b>(20.8)</b>	<b>(20.8)</b>	(17.4)
Restated opening balance	<b>155.0</b>	<b>15.7</b>	<b>281.8</b>	<b>452.5</b>	419.5
Grants received					
Buildings	<b>30.8</b>	–	<b>21.1</b>	<b>51.9</b>	37.5
Equipment	<b>7.9</b>	<b>9.8</b>	<b>0.6</b>	<b>18.3</b>	19.0
	<b>38.7</b>	<b>9.8</b>	<b>21.7</b>	<b>70.2</b>	56.5
Released to income and expenditure					
Buildings – for depreciation	<b>(8.7)</b>	–	<b>(7.4)</b>	<b>(16.1)</b>	(6.9)
Equipment – for depreciation	<b>(5.9)</b>	<b>(8.3)</b>	<b>(1.4)</b>	<b>(15.6)</b>	(15.0)
Equipment – on disposals	<b>(0.2)</b>	<b>(0.4)</b>	–	<b>(0.6)</b>	(1.6)
	<b>(14.8)</b>	<b>(8.7)</b>	<b>(8.8)</b>	<b>(32.3)</b>	(23.5)
Balance 31 July					
Buildings	<b>165.1</b>	–	<b>293.5</b>	<b>458.6</b>	422.8
Equipment	<b>13.8</b>	<b>16.8</b>	<b>1.2</b>	<b>31.8</b>	29.7
	<b>178.9</b>	<b>16.8</b>	<b>294.7</b>	<b>490.4</b>	452.5

**NOTES TO THE ACCOUNTS (continued)****25 Endowments**

<i>Group</i>	<b>Expendable £m</b>	<b>Permanent £m</b>	<b>2008 Total £m</b>	2007 Total £m <i>Restated</i>
Balance 1 August				
As previously stated	<b>301.8</b>	<b>599.0</b>	<b>900.8</b>	804.1
Prior year adjustment (see note 12)	<b>26.7</b>	–	<b>26.7</b>	24.0
Restated opening balance	<b>328.5</b>	<b>599.0</b>	<b>927.5</b>	828.1
New endowments received	<b>20.2</b>	<b>16.0</b>	<b>36.2</b>	47.2
Income receivable from endowment asset investments	<b>10.4</b>	<b>21.9</b>	<b>32.3</b>	30.5
Expenditure	<b>(29.4)</b>	<b>(16.7)</b>	<b>(46.1)</b>	(46.1)
Net transfer (to) / from income and expenditure account	<b>(19.0)</b>	<b>5.2</b>	<b>(13.8)</b>	(15.6)
(Decrease) / increase in market value of investments	<b>(26.3)</b>	<b>(66.6)</b>	<b>(92.9)</b>	67.8
Balance 31 July	<b>303.4</b>	<b>553.6</b>	<b>857.0</b>	927.5
Capital	<b>296.2</b>	<b>490.7</b>	<b>786.9</b>	855.7
Unspent income	<b>7.2</b>	<b>62.9</b>	<b>70.1</b>	71.8
Balance 31 July	<b>303.4</b>	<b>553.6</b>	<b>857.0</b>	927.5

**Representing:**

	<b>Expendable £m</b>	<b>Permanent £m</b>	<b>2008 Total £m</b>	2007 Total £m <i>Restated</i>
Trust and Special Funds:				
Professorships, Readerships and Lectureships	<b>28.8</b>	<b>268.6</b>	<b>297.4</b>	321.1
Scholarships and bursaries	<b>4.1</b>	<b>69.9</b>	<b>74.0</b>	80.4
Other	<b>59.2</b>	<b>207.3</b>	<b>266.5</b>	286.0
Specific donations	<b>28.3</b>	–	<b>28.3</b>	25.7
Examination Board restricted funds	<b>7.6</b>	–	<b>7.6</b>	12.3
Gates Cambridge Trust	<b>165.8</b>	–	<b>165.8</b>	179.6
Other subsidiary undertakings	<b>9.6</b>	<b>0.3</b>	<b>9.9</b>	14.1
General endowments	–	<b>7.5</b>	<b>7.5</b>	8.3
Group total	<b>303.4</b>	<b>553.6</b>	<b>857.0</b>	927.5

**University**

	<b>Expendable £m</b>	<b>Permanent £m</b>	<b>2008 Total £m</b>	2007 Total £m <i>Restated</i>
Balance 1 August				
As previously stated	<b>112.2</b>	<b>598.5</b>	<b>710.7</b>	629.8
Prior year adjustment (see note 12)	<b>25.7</b>	–	<b>25.7</b>	23.2
Restated opening balance	<b>137.9</b>	<b>598.5</b>	<b>736.4</b>	653.0
New endowments received	<b>16.3</b>	<b>16.0</b>	<b>32.3</b>	43.4
Income receivable from endowment asset investments	<b>4.9</b>	<b>21.8</b>	<b>26.7</b>	23.9
Expenditure	<b>(19.2)</b>	<b>(16.4)</b>	<b>(35.6)</b>	(36.9)
Net transfer (to) / from income and expenditure account	<b>(14.3)</b>	<b>5.4</b>	<b>(8.9)</b>	(13.0)
(Decrease) / increase in market value of investments	<b>(11.8)</b>	<b>(66.7)</b>	<b>(78.5)</b>	53.0
Balance 31 July	<b>128.1</b>	<b>553.2</b>	<b>681.3</b>	736.4
Capital	<b>122.3</b>	<b>490.1</b>	<b>612.4</b>	666.6
Unspent income	<b>5.8</b>	<b>63.1</b>	<b>68.9</b>	69.8
Balance 31 July	<b>128.1</b>	<b>553.2</b>	<b>681.3</b>	736.4

**NOTES TO THE ACCOUNTS (continued)****26 Reserves***Group*

	General reserves £m	Operational property revaluation reserve £m	Fixed asset investment revaluation reserve £m	2008 Total £m	2007 Total £m <i>Restated</i>
Balance 1 August					
As previously stated	740.9	157.4	139.1	1,037.4	930.9
Prior year adjustments (see note 12):					
Donations of heritage assets	20.8	–	–	20.8	17.4
Fixed asset investment revaluation reserve	1.3	–	(1.3)	–	–
Restated opening balance	763.0	157.4	137.8	1,058.2	948.3
Surplus retained for the year	41.3	–	–	41.3	24.7
Actuarial (loss) / gain	(82.3)	–	–	(82.3)	50.8
Transfer in respect of depreciation on revalued operational properties	6.0	(6.0)	–	–	–
Transfer in respect of disposals of fixed asset investments	26.7	–	(26.7)	–	–
Gain / (loss) arising on foreign currency translation	2.0	–	–	2.0	(1.9)
(Decrease) / increase in market value of investments	–	–	(45.9)	(45.9)	36.3
Balance 31 July	756.7	151.4	65.2	973.3	1,058.2
Reserves are reduced by the net liabilities in respect of retirement benefits					
Reserves before net liabilities in respect of retirement benefits	929.5	151.4	65.2	1,146.1	1,137.5
Effect of net pension liability (see note 22)	(158.0)	–	–	(158.0)	(79.3)
Effect of liability for other retirement benefits (see note 23)	(14.8)	–	–	(14.8)	–
Reserves balance at 31 July	756.7	151.4	65.2	973.3	1,058.2

*University*

	General reserves £m	Operational property revaluation reserve £m	Fixed asset investment revaluation reserve £m	2008 Total £m	2007 Total £m <i>Restated</i>
Balance 1 August					
As previously stated	694.7	157.4	94.2	946.3	907.1
Prior year adjustments (see note 12):					
Donations of heritage assets	20.8	–	–	20.8	17.4
Fixed asset investment revaluation reserve	1.3	–	(1.3)	–	–
Restated opening balance	716.8	157.4	92.9	967.1	924.5
Surplus retained for the year	21.5	–	–	21.5	20.4
Actuarial (loss) / gain	(24.7)	–	–	(24.7)	6.4
Transfer in respect of depreciation on revalued operational properties	6.0	(6.0)	–	–	–
Transfer in respect of disposals of fixed asset investments	23.5	–	(23.5)	–	–
Gain / (loss) arising on foreign currency translation	1.6	–	–	1.6	(2.1)
(Decrease) / increase in market value of investments	–	–	(32.5)	(32.5)	17.9
Balance 31 July	744.7	151.4	36.9	933.0	967.1

**NOTES TO THE ACCOUNTS (continued)**

<b>27 Reconciliation of consolidated operating surplus to net cash (outflow) / inflow from operating activities</b>	<b>2008</b>	<b>2007</b>		
	<b>£m</b>	<b>£m</b>		
		<i>Restated</i>		
Surplus on continuing operations before donations of heritage assets and gain on disposal of tangible fixed assets	<b>18.9</b>	1.9		
Depreciation of fixed tangible assets	<b>59.7</b>	48.0		
Amortisation of goodwill	<b>1.8</b>	2.2		
Deferred capital grants released to income	<b>(31.7)</b>	(21.9)		
Investment income	<b>(58.9)</b>	(53.6)		
Interest payable	<b>0.5</b>	0.5		
Pension cost less contributions payable (see note 22)	<b>(2.3)</b>	2.8		
Other retirement benefits—cost less contributions payable (see note 23)	<b>15.3</b>	—		
Currency adjustments	<b>2.3</b>	(0.5)		
	<b>5.6</b>	(20.6)		
Decrease / (increase) in stock	<b>1.7</b>	(8.8)		
(Increase) / decrease in debtors	<b>(26.0)</b>	5.8		
Increase in creditors	<b>16.0</b>	27.4		
	<b>(2.7)</b>	3.8		
<b>28 Cash flows</b>	<b>2008</b>	<b>2007</b>		
	<b>£m</b>	<b>£m</b>		
		<i>Restated</i>		
<b>Returns on investments and servicing of finance</b>				
Endowment and investment income received	<b>57.1</b>	53.9		
Interest paid	<b>(0.5)</b>	(0.5)		
Net cash inflow from returns on investments and servicing of finance	<b>56.6</b>	53.4		
<b>Capital expenditure and financial investment</b>				
Purchase of tangible fixed assets	<b>(116.1)</b>	(107.2)		
Acquisition of goodwill and other intangible fixed assets	—	—		
Donations for buildings and other deferred capital grants received	<b>70.2</b>	56.5		
Proceeds of disposal of tangible fixed assets	<b>0.6</b>	8.2		
Net purchase of long-term investments (excluding investments held on behalf of others)	<b>(11.2)</b>	(66.0)		
New endowments received	<b>36.2</b>	47.2		
Net cash outflow from capital expenditure and financial investment	<b>(20.3)</b>	(61.3)		
<b>Financing</b>				
Issue of share capital to minority interest	—	0.7		
Bank loan acquired	<b>4.8</b>	—		
Repayment of long-term loan	—	(0.5)		
Net cash inflow / (outflow) from financing	<b>4.8</b>	0.2		
<b>29 Analysis of the balances of cash and bank overdraft</b>	<b>Group</b>	<b>Group</b>	<b>University</b>	<b>University</b>
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
		<i>Restated</i>		<i>Restated</i>
Bank overdrafts	<b>(3.3)</b>	(8.6)	<b>(1.9)</b>	(7.7)
Cash at bank and in hand	<b>46.5</b>	24.3	<b>30.8</b>	13.3
	<b>43.2</b>	15.7	<b>28.9</b>	5.6
Add short term deposits:				
Current asset investments (excluding those held on behalf of related parties and other associated bodies)	<b>17.2</b>	6.3	<b>17.2</b>	8.0
Net funds	<b>60.4</b>	22.0	<b>46.1</b>	13.6

**NOTES TO THE ACCOUNTS (continued)**

<b>30 Capital commitments</b>	<b>2008</b>	2007
	<b>£m</b>	£m
Commitments contracted at 31 July	<b>138.6</b>	64.7
Authorised but not contracted at 31 July	—	—

Of the capital expenditure committed at 31 July 2008, approximately 86% (2007: 63%) will be funded by specific grants and donations.

**31 Pension schemes**

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

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

**USS**

It is not possible to identify each institution's share of underlying assets and liabilities of the scheme, and therefore contributions are accounted for as if it were a defined contribution scheme in accordance with FRS 17. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

Latest actuarial valuation	<b>March 2005</b>
Investment returns per annum	<b>4.50%</b>
Salary scale increases per annum	<b>3.90%</b>
Pension increases per annum	<b>2.90%</b>
Mortality – equivalent life expectancy for members reaching retirement age of 65:	
Males	<b>85</b>
Females	<b>88</b>
Market value of assets at date of last valuation	<b>£21,740m</b>
Proportion of members' accrued benefits covered by the actuarial value of the assets	<b>77%</b>

The contribution rate payable by the institution is 14% of pensionable salaries. The results of the next actuarial valuation at 31 March 2008 are awaited.

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

The CPS was established under the authority of the Universities of Oxford and Cambridge Act 1923. It is a registered pension scheme for the purposes of Finance Act 2004. The active members of the scheme are employees of the University and its subsidiary undertakings.

**Triennial valuation of the scheme**

A full triennial valuation of the scheme was carried out by the actuary for the trustees of the scheme for funding purposes as at 31 July 2006. The results showed the actuarial value of the scheme's assets as £276.8m. These were insufficient to cover the scheme's past service liabilities of £285.0m and as a result the scheme had a deficit of £8.2m and was 97% funded. The joint contribution rate has been set at 25.7% of pensionable pay from 1 August 2005.

## NOTES TO THE ACCOUNTS (continued)

### 31 Pension schemes (continued)

#### CPS: Pension costs under FRS 17

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

	<b>2008</b>	2007
Discount rate	<b>6.40%</b>	5.80%
Expected rate of return on scheme assets at beginning of year		
Equities and hedge funds	<b>8.00%</b>	7.50%
Bonds (including cash)	<b>5.30%</b>	4.70%
Property	<b>7.00%</b>	6.50%
Rate of increase in salaries	<b>4.55%</b>	4.00%
Rate of increase in pensions in deferment	<b>3.80%</b>	3.25%
Rate of increase in pensions in payment	<b>3.80%</b>	3.25%
Age at retirement:		
Males – active	<b>63</b>	63
Males – deferred	<b>61</b>	61
Females – active	<b>61</b>	61
Females – deferred	<b>60</b>	60
Mortality – equivalent life expectancy for members reaching retirement age:		
Males	<b>85</b>	84
Females	<b>88</b>	87

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

	Present value of defined benefit obligation		Fair value of scheme assets		Net liability recognised in the balance sheet	
	2008 £m	2007 £m	2008 £m	2007 £m	2008 £m	2007 £m
Opening	<b>(372.5)</b>	(374.6)	<b>313.9</b>	276.8	<b>(58.6)</b>	(97.8)
Service cost	<b>(14.4)</b>	(16.0)	–	–	<b>(14.4)</b>	(16.0)
Employer contributions	–	–	<b>13.4</b>	12.6	<b>13.4</b>	12.6
Expected return on scheme assets	–	–	<b>23.5</b>	18.5	<b>23.5</b>	18.5
Contributions by members	<b>(4.3)</b>	(4.0)	<b>4.3</b>	4.0	–	–
Interest cost	<b>(21.7)</b>	(19.6)	–	–	<b>(21.7)</b>	(19.6)
Actuarial (losses) / gains	<b>(5.7)</b>	28.8	<b>(51.2)</b>	14.9	<b>(56.9)</b>	43.7
Benefits and expenses paid	<b>13.1</b>	12.9	<b>(13.1)</b>	(12.9)	–	–
Closing defined benefit obligation	<b>(405.5)</b>	(372.5)	<b>290.8</b>	313.9	<b>(114.7)</b>	(58.6)

The amounts recognised in the income and expenditure account were as follows:

	<b>2008</b>	2007
	<b>£m</b>	£m
In staff costs: current service cost	<b>14.4</b>	16.0
In endowment and investment income:		
Expected return on pension scheme assets	<b>23.5</b>	18.5
Interest on pension scheme liabilities	<b>(21.7)</b>	(19.6)
	<b>1.8</b>	(1.1)

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

	<b>2008</b>	2007	2006	2005	2004
	<b>£m</b>	£m	£m	£m	£m
Defined benefit obligation	<b>(405.5)</b>	(372.5)	(374.6)	(331.8)	(279.4)
Plan assets	<b>290.8</b>	313.9	276.8	249.0	208.9
Deficit at the balance sheet date	<b>(114.7)</b>	(58.6)	(97.8)	(82.8)	(70.5)
Experience (losses) / gains for the year on plan liabilities	<b>(1.3)</b>	(4.1)	(7.2)	0.2	(0.8)
Experience (losses) / gains for the year on plan assets	<b>(51.2)</b>	14.9	5.8	22.2	(1.2)

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

## NOTES TO THE ACCOUNTS (continued)

### 31 Pension schemes (continued)

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

##### Triennial valuation of the schemes

Full triennial valuations of the schemes were carried out by the actuary for the trustees of the schemes for funding purposes as at 1 January 2007.

##### Pension costs under FRS 17

For accounting purposes the schemes' assets are measured at market value and liabilities are valued using the attained age method and discounted using the gross redemption yield for corporate AA rated bonds. The valuations use market-based assumptions and asset valuations, and represent current valuations. They do not impact on the joint contribution rates set by the trustees of the schemes. Full actuarial valuations for this purpose were carried out as at 1 January 2007 by a qualified actuary. The actuary has also updated the 2007 accounting valuation to 31 July 2007 and 31 July 2008 for the purposes of the University's financial statements. The principal assumptions used by the actuary for both schemes were:

	<b>2008</b>	2007
Discount rate	<b>6.40%</b>	5.75%
Expected rate of return on scheme assets at beginning of year	<b>6.25%</b>	6.25%
Rate of increase in salaries – schemes are now on frozen current salary basis	<b>0.00%</b>	0.00%
Rate of increase in pensions in deferment	<b>3.80%</b>	3.50%
Rate of increase in pensions in payment	<b>3.80%</b>	3.50%
Age at retirement:		
PSSPS – males – active	<b>59</b>	59
All others	<b>60</b>	60
Mortality – equivalent life expectancy for members reaching retirement age:		
Males	<b>88</b>	84
Females	<b>90</b>	87

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

	Present value of defined benefit obligation		Fair value of scheme assets		Net liability recognised in the balance sheet	
	2008	2007	2008	2007	2008	2007
	£m	£m	£m	£m	£m	£m
Opening	<b>(181.4)</b>	(174.9)	<b>163.1</b>	149.1	<b>(18.3)</b>	(25.8)
Service cost	<b>(3.4)</b>	(5.5)	–	–	<b>(3.4)</b>	(5.5)
Employer contributions	–	–	<b>4.7</b>	5.9	<b>4.7</b>	5.9
Expected return on scheme assets	–	–	<b>10.3</b>	9.3	<b>10.3</b>	9.3
Contributions by members	<b>(0.7)</b>	(0.7)	<b>0.7</b>	0.7	–	–
Interest cost	<b>(10.4)</b>	(8.7)	–	–	<b>(10.4)</b>	(8.7)
Actuarial (losses) / gains	<b>(5.3)</b>	1.6	<b>(18.5)</b>	4.9	<b>(23.8)</b>	6.5
Benefits and expenses paid	<b>8.9</b>	6.8	<b>(8.9)</b>	(6.8)	–	–
Closing defined benefit obligation	<b>(192.3)</b>	(181.4)	<b>151.4</b>	163.1	<b>(40.9)</b>	(18.3)

The amounts recognised in the income and expenditure account were as follows:

	<b>2008</b>	2007
	<b>£m</b>	£m
In staff costs: current service cost	<b>3.4</b>	5.5
In endowment and investment income:		
Expected return on pension scheme assets	<b>10.3</b>	9.3
Interest on pension scheme liabilities	<b>(10.4)</b>	(8.7)
	<b>(0.1)</b>	0.6

Amounts for the current and previous three years were as follows:

	<b>2008</b>	2007	2006	2005
	<b>£m</b>	£m	£m	£m
Defined benefit obligation	<b>(192.3)</b>	(181.4)	(174.9)	(159.8)
Plan assets	<b>151.4</b>	163.1	149.1	131.6
Deficit at the balance sheet date	<b>(40.9)</b>	(18.3)	(25.8)	(28.2)
Experience losses for the year on plan liabilities	<b>(5.3)</b>	(3.8)	(0.4)	(2.0)
Experience (losses) / gains for the year on plan assets	<b>(20.0)</b>	5.2	8.3	15.1



## NOTES TO THE ACCOUNTS (continued)

### 31 Pension schemes (continued)

The University also has a smaller number of staff in other pension schemes, including the National Health Service Pension Scheme (NHSPS), the Cambridge University Press Defined Benefit Plan (CUPDBP, for US staff) and the RSA Examinations Board scheme (RSAEBS). Pension costs relating to CUPDBP and RSAEBS are accounted for in accordance with FRS 17 as applied to a defined benefit scheme and the related pension liability is included in the consolidated balance sheet (see note 22). Further disclosures are not given as the balances and movements are not material.

	2008	2007
	£m	£m
The total pension cost for the year (see note 8) was:		
USS: contributions	29.3	27.3
CPS: charged to income and expenditure account	14.4	16.0
PCPF: charged to income and expenditure account	2.6	4.3
PSSPS: charged to income and expenditure account	0.8	1.2
NHSPS: contributions	1.6	1.5
CUPDBP: charged to income and expenditure account	0.5	0.6
RSAEBS: charged to income and expenditure account	0.2	0.2
Contributions to other pension schemes	1.8	1.3
	<b>51.2</b>	<b>52.4</b>

### 32 Principal subsidiary and associated undertakings and other significant investments

The following undertakings were wholly owned subsidiary undertakings throughout the year ended 31 July 2008. Except where stated, the accounting reference date is 31 July and the undertaking is a company registered in England and Wales.

Name	Notes	Principal activity
Cambridge Enterprise Limited		Consultancy and commercial exploitation of intellectual property
Cambridge Investment Limited		Land development
Cambridge Manufacturing Industry Links Limited		Consultancy and commercial exploitation of intellectual property
Cambridge Programme for Industry (Australia)	a	Sustainability leadership programmes
Cambridge University Technical Services Limited		Consultancy and commercial exploitation of intellectual property
Challenge Fund Trading Company Limited		Providing funds to promote the transfer of research to business
Fitzwilliam Museum Enterprises Limited	b	Publication of fine art books and sale of museum merchandise
JBS Executive Education Limited		Corporate education services
Lynxvale Limited		Provision of construction and development services
The Cambridge Foundation	c	Fund raising
<b>Associated Trusts</b>	c	
Cambridge Overseas Trust	}	Provision of scholarships, grants and other support for the education of overseas students in the University
Cambridge Commonwealth Trust		
Gates Cambridge Trust		
Cambridge European Trust		
Malaysian Commonwealth Studies Centre in Cambridge		
<b>Cambridge Assessment subsidiary undertakings</b>		
Cambridge Examinations Inc	d	Examination services
Mill Wharf Limited		Training and consultancy
Oxford and Cambridge International Assessment Services Limited		Assessment services
Oxford Cambridge and RSA Examinations		Examination and assessment services
RSA Examinations Board		Assessment services
Sandonian Properties Limited		Property holding
The West Midlands Examinations Board		Examination services



## NOTES TO THE ACCOUNTS (continued)

### 32 Principal subsidiary and associated undertakings and other significant investments (continued)

<b>Cambridge University Press subsidiary undertakings</b>	e	
Cambridge Global Grid for Learning Limited		Electronic educational publishing
Cambridge Knowledge (China) Limited	f	Representative office
Cambridge Printing Services Limited		Printing services
Cambridge University Press (Greece) EPE	g	Representative office
Cambridge University Press (Holdings) Limited		Holding company
Cambridge University Press India Private Limited	h	Publishing and distribution
Cambridge University Press Japan KK	i	Representative office
Cambridge University Press South Africa (Proprietary) Limited	j	Publishing and distribution
Cambridge-Hitachisoft Educational Solutions PLC	k	Electronic educational publishing
ELT Trading SA DE CV	l	Representative office
United Publishers Services Limited	f	Distribution

- a Cambridge Programme for Industry (Australia) is incorporated in Australia and has an accounting reference date of 30 June for commercial reasons. The effect of this is not material to the consolidated accounts.
- b Fitzwilliam Museum Enterprises Limited has an accounting reference date of 31 January for commercial reasons. The effect of this is not material to the consolidated accounts.
- c The Cambridge Foundation and the Associated Trusts are exempt charities established by trust deeds.
- d Cambridge Examinations Inc is a United States non-stock non-profit corporation.
- e Cambridge University Press subsidiary undertakings have an accounting reference date of 30 April for commercial reasons.
- f Cambridge Knowledge (China) Limited and United Publishers Services Limited are incorporated in Hong Kong.
- g Cambridge University Press (Greece) EPE is incorporated in Greece.
- h Cambridge University Press India Private Limited is a 51% subsidiary incorporated in India.
- i Cambridge University Press Japan KK is incorporated in Japan.
- j Cambridge University Press South Africa (Proprietary) Limited is incorporated in South Africa.
- k The University holds 60% of the issued share capital in Cambridge-Hitachisoft Educational Solutions PLC.
- l ELT Trading SA DE CV is incorporated in Mexico.

The University has interests in a number of spin-out companies formed to exploit intellectual property rights or inventions. These are included at valuation in fixed asset investments (see note 15) and endowment assets (note 16). In some cases the University's interest amounts to 20% or more of the share capital, and these companies are listed below. As the University does not exercise a significant influence over these investments and they are not intended to be held for the long term, they are not accounted for as associated undertakings. Other undertakings where the University's investment amounts to 20% or more are also listed below.

These are not accounted for as associated undertakings as the effect on the financial statements would not be material.

Name	% interest	Principal Activity
Ampika Limited	40	Commercial exploitation of intellectual property
Bluegnome Limited	21	Commercial exploitation of intellectual property
BSCR Limited	22	Commercial exploitation of intellectual property
Cambridge Flow Solutions Limited	20	Commercial exploitation of intellectual property
Cambridge in America	22	Fund raising
Cambridge Lab-on-Chip Limited	32	Commercial exploitation of intellectual property
Camfridge Limited	23	Commercial exploitation of intellectual property
Enval Limited	26	Commercial exploitation of intellectual property
Inotec AMD Limited	23	Commercial exploitation of intellectual property
Markready Limited	33	Research and development
Microbial Technics Limited	23	Commercial exploitation of intellectual property
The CRISP Consortium Limited	45	Commercial exploitation of intellectual property
Vivamer Limited	58	Commercial exploitation of intellectual property

In addition, the University is one of two equal members of Cambridge-MIT Institute Limited (CMI), a joint venture company limited by guarantee whose principal activity was the support of research and educational programmes. The company ceased its activities in the year ended 31 July 2008, during which it funded expenditure of £0.1m (2007: £4.2m), including reimbursements to the University totalling nil (2007: £1.9m), and its profit after tax was nil (2007: nil). At 31 July 2008 and 2007 CMI had nil net assets.

**NOTES TO THE ACCOUNTS (continued)****33 Related party transactions**

In accordance with FRS 8 the University is not required to disclose the transactions and balances between its group undertakings, which have been eliminated on consolidation.

**34 Colleges**

There are 30 Colleges and one Approved Society (the Colleges) each of which is an independent corporation with its own property and income. The individual audited accounts of the Colleges, in a form specified by the University, are published in the *Cambridge University Reporter*.

During the year payments were made by the University from HEFCE funding in respect of the College fees of publicly funded undergraduates of £36.0m (2007: £34.7m). These payments are included as 'Payments to Colleges' in note 9 above. The University also made payments in respect of the College fees of postgraduate students totalling £3.3m (2007: £2.6m). These payments are included in other operating expenses.

The Cambridge Foundation distributed third party donations to the Colleges totalling £5.3m (2007: £5.2m). The payments are not included in the consolidated income and expenditure account.

During the year the University provided printing, network and other services to the Colleges for which the Colleges paid a total of £5.0m (2007: £3.0m), and the Colleges provided accommodation, catering and other services to the University for which the University paid a total of £7.1m (2007: £6.3m).

During the year the Colleges made donations to the University totalling £2.5m (2007: £2.1m) which were credited to specific endowments.

<b>Colleges fund</b>	<b>2008</b>	2007
	<b>£000</b>	£000
Balance at 1 August	6	40
Contributions received from Colleges	3,428	3,025
Interest earned	48	41
Payments to Colleges	(3,480)	(3,100)
	<hr/>	<hr/>
Balance at 31 July included in creditors	2	6

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

**35 DIUS / HEFCE Access funds**

	<b>2008</b>	2007
	<b>£000</b>	£000
Access to Learning Fund allocation	311	310
Interest earned	7	4
	<hr/>	<hr/>
Disbursed to students	318	314
	(318)	(314)
	<hr/>	<hr/>
Balance unspent at 31 July	–	–

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

**36 TDA grants for Black and Minority Ethnic Recruitment and Retention**

	<b>2008</b>	2007
	<b>£000</b>	£000
TDA grants	6	8
Disbursed to students	(6)	(8)
	<hr/>	<hr/>
Balance unspent at 31 July	–	–