

Section A: Unaudited accounts in respect of academic activities

The scope and basis of preparation differ from the University's financial statements for 2013–14 in that these unaudited accounts exclude the income and expenditure, assets and liabilities of Cambridge Assessment (the Local Examinations Syndicate and its subsidiary undertakings) and of Cambridge University Press, and also exclude from consolidation the associated Trusts. The unaudited accounts have been prepared following the same accounting policies as the audited financial statements for the year ended 31 July 2014. Endowment and investment income includes the full value of distributions from the Cambridge University Endowment Fund.

In order to distinguish these accounts from the University's financial statements they are referred to as unaudited accounts in respect of academic activities.

UNAUDITED CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT IN RESPECT OF ACADEMIC ACTIVITIES FOR THE YEAR ENDED 31 JULY 2014

		Year ended 31 July 2014 £m	Year ended 31 July 2013 £m
Income	<i>Note</i>		
Funding body grants	<i>i</i>	178.6	183.8
Academic fees and support grants	<i>ii</i>	207.5	182.7
Research grants and contracts	<i>iii</i>	371.2	331.8
Other income	<i>iv</i>	135.3	144.9
Endowment and investment income	<i>v</i>	69.8	62.1
Total income		962.4	905.3
Expenditure			
Staff costs	<i>vi, vii</i>	482.9	453.2
Other operating expenses	<i>vii</i>	384.0	354.5
Depreciation	<i>vii</i>	64.8	55.8
Interest and other finance costs		13.1	10.5
Total expenditure	<i>vii</i>	944.8	874.0
Surplus on continuing operations		17.6	31.3
Surplus transferred from endowment funds	<i>xvi</i>	7.2	7.8
Surplus for the year retained in general reserves		24.8	39.1

The income and expenditure account is in respect of continuing activities.

UNAUDITED NOTE OF HISTORICAL COST RESULT FOR THE YEAR ENDED 31 JULY 2014

Surplus on continuing operations		17.6	31.3
Realization of losses on disposal of fixed asset investments	<i>xvii</i>	29.4	(0.6)
Depreciation on revaluation element of fixed tangible assets	<i>xvii</i>	6.0	6.0
Historical cost surplus for the year		53.0	36.7

UNAUDITED STATEMENT OF TOTAL RECOGNIZED GAINS AND LOSSES IN RESPECT OF ACADEMIC
ACTIVITIES FOR THE YEAR ENDED 31 JULY 2014

		Year ended 31 July 2014	Year ended 31 July 2013
	<i>Note</i>	£m	£m
Surplus on continuing operations		17.6	31.3
Increase in market value of investments			
Endowment assets	<i>xvi</i>	30.1	143.2
Fixed asset investments	<i>xvii</i>	27.6	94.6
New endowment capital	<i>xvi</i>	24.0	33.7
Total recognized gains relating to the year		<u>99.3</u>	<u>302.8</u>
Total gains since the last annual report		<u>99.3</u>	<u>302.8</u>
Reconciliation			
Opening reserves and endowments		2,104.3	1,801.5
Total gains since the last annual report		<u>99.3</u>	<u>302.8</u>
Closing reserves and endowments		<u>2,203.6</u>	<u>2,104.3</u>

UNAUDITED BALANCE SHEETS IN RESPECT OF ACADEMIC ACTIVITIES AS AT 31 JULY 2014

		Group 31 July 2014	Group 31 July 2013	University 31 July 2014	University 31 July 2013
	<i>Note</i>	£m	£m	£m	£m
Fixed assets					
Tangible assets	<i>ix</i>	1,105.7	1,050.1	1,114.3	1,058.5
Investments	<i>x</i>	835.2	772.4	828.8	767.5
		1,940.9	1,822.5	1,943.1	1,826.0
Endowment assets	<i>xi</i>	1,106.4	1,059.5	1,104.1	1,059.5
Current assets					
Stocks and work in progress		2.0	1.8	1.6	1.5
Debtors	<i>xii</i>	158.1	137.7	157.3	136.6
Investments					
University	<i>xiii</i>	237.8	252.8	236.3	251.1
Held on behalf of others	<i>xiii</i>	711.2	687.1	714.9	688.8
Cash at bank and in hand		10.3	10.0	0.1	0.1
		1,119.4	1,089.4	1,110.2	1,078.1
Creditors: amounts falling due within one year	<i>xiv</i>	(1,080.4)	(1,000.7)	(1,072.8)	(991.3)
Net current assets		39.0	88.7	37.4	86.8
Total assets less current liabilities		3,086.3	2,970.7	3,084.6	2,972.3
Creditors: amounts falling due after more than one year		(342.3)	(342.3)	(342.3)	(342.3)
Total net assets		2,744.0	2,628.4	2,742.3	2,630.0
Represented by:					
Deferred capital grants	<i>xv</i>	540.4	524.1	540.4	524.1
Endowments					
Expendable endowments	<i>xvi</i>	246.8	238.9	246.7	238.9
Permanent endowments	<i>xvi</i>	859.6	820.6	857.4	820.6
	<i>xvi</i>	1,106.4	1,059.5	1,104.1	1,059.5
Reserves					
General reserves	<i>xvii</i>	797.1	736.9	805.8	745.7
Operational property revaluation reserve	<i>xvii</i>	115.2	121.2	115.2	121.2
Fixed asset investment revaluation reserve	<i>xvii</i>	184.9	186.7	176.8	179.5
	<i>xvii</i>	1,097.2	1,044.8	1,097.8	1,046.4
Total		2,744.0	2,628.4	2,742.3	2,630.0

NOTES TO THE UNAUDITED ACCOUNTS IN RESPECT OF ACADEMIC ACTIVITIES

i	Funding body grants	2014 £m	2013 £m
	Higher Education Funding Council for England (HEFCE)		
	Recurrent grant	158.8	167.4
	Specific grants	3.9	1.8
	Deferred capital grant released in year (note xv)		
	Equipment	2.1	12.2
	Buildings	13.8	2.3
	HEFCE total	178.6	183.7
	National College for Teaching and Leadership		
	Recurrent grant	–	0.1
		178.6	183.8
	ii Academic fees and support grants		
	Full-time home / EU students	88.2	72.6
	Full-time overseas (non-EU) students	70.2	62.9
	Other course fees	22.4	20.8
	Research Training Support Grants	26.7	26.4
		207.5	182.7
	iii Income: research grants and contracts		
	Research councils	119.4	105.7
	UK based charities	112.8	104.5
	Other bodies	139.0	121.6
		371.2	331.8
	<p>Total research grants and contracts income excludes grants of £18.1m (2013: £12.8m) for the purchase of equipment but includes £13.8m (2013: £11.1m) released from deferred capital grants to match depreciation of which £10.2m (2013: £7.6m) related to equipment. See note xvi.</p>		
	iv Other income		
	Other services rendered	40.0	36.5
	Health and hospital authorities	18.4	17.4
	Residences, conferences, and catering	9.1	8.4
	Income from intellectual property	5.5	5.1
	Released from deferred capital grants (note xv)	8.7	11.8
	Transferred from Cambridge Assessment	15.9	15.9
	Unrestricted donations	12.3	13.5
	Rental income	7.5	8.2
	Donations of, and for the purchase of, heritage assets	0.5	15.6
	Gain on disposal of tangible fixed assets	3.2	–
	Sundry income	14.2	12.5
		135.3	144.9
	v Endowment and investment income		
	Income from expendable endowment assets	7.1	7.2
	Income from permanent endowment assets	31.8	29.2
	Income from fixed asset investments	28.5	22.5
	Income from short-term investments	2.4	3.2
		69.8	62.1

NOTES TO THE UNAUDITED ACCOUNTS IN RESPECT OF ACADEMIC ACTIVITIES (continued)

vi	Staff costs	2014 £m	2013 £m
	Wages and salaries	364.4	338.1
	Social security costs	33.7	30.7
	Pension costs (note xix)	84.8	84.4
		482.9	453.2
	Remuneration of the Vice-Chancellor	2014 £000	2013 £000
	Salary	288	282
	Benefits in kind	10	7
		298	289
	Total excluding employer pension contributions	46	45
	Employer pension contributions		
		344	334

Remuneration of other higher paid staff, excluding employer's pension contributions (except to the extent these result from sacrifice of an element of pay):

	Clinical		Non-Clinical		Total number	
	2014	2013	2014	2013	2014	2013
£100,001 – £110,000	21	18	56	41	77	59
£110,001 – £120,000	8	11	20	23	28	34
£120,001 – £130,000	7	4	20	18	27	22
£130,001 – £140,000	6	10	19	14	25	24
£140,001 – £150,000	17	11	7	10	24	21
£150,001 – £160,000	10	15	6	4	16	19
£160,001 – £170,000	12	6	4	3	16	9
£170,001 – £180,000	7	8	3	3	10	11
£180,001 – £190,000	6	3	3	3	9	6
£190,001 – £200,000	4	5	2	2	6	7
£200,001 – £210,000	4	3	3	–	7	3
£210,001 – £220,000	–	1	–	2	–	3
£220,001 – £230,000	1	2	–	–	1	2
£230,001 – £240,000	–	1	1	–	1	1
£240,001 – £250,000	–	–	1	1	1	1
£250,001 – £260,000	–	–	1	2	1	2
£270,001 – £280,000	–	–	–	–	–	–
£280,001 – £290,000	–	–	–	1	–	1
£290,001 – £300,000	–	–	1	–	1	–
£300,001 – £310,000	–	–	1	–	1	–
£310,001 – £320,000	–	–	2	–	2	–
£320,001 – £330,000	–	–	–	1	–	1
£400,001 – £410,000	–	–	1	–	1	–
£410,001 – £420,000	–	–	–	1	–	1

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

NOTES TO THE UNAUDITED ACCOUNTS IN RESPECT OF ACADEMIC ACTIVITIES (continued)

vii Analysis of expenditure by activity	Staff costs £m	Other operating expenses £m	Depreciation £m	Interest payable £m	2014 Total £m	2013 Total £m
Academic departments	214.1	59.6	7.8	–	281.5	263.6
Academic services	26.2	16.1	0.8	–	43.1	41.4
Payments to colleges	–	44.9	–	–	44.9	43.3
Research grants and contracts	164.5	139.4	13.8	–	317.7	282.6
Other activities:						–
Other services rendered	8.9	25.5	–	–	34.4	31.4
Intellectual property	2.6	4.6	–	–	7.2	5.7
Residences, conferences, and catering	2.3	8.8	–	–	11.1	10.1
Other activities total	13.8	38.9	–	–	52.7	47.2
Administration and central services:						
Administration	40.3	2.9	2.9	–	46.1	41.1
General educational	1.1	31.4	–	–	32.5	32.1
Staff and student facilities	3.3	1.1	–	–	4.4	5.0
Development office	3.8	4.1	–	–	7.9	7.3
Other	2.9	2.6	–	–	5.5	11.0
Administration and central services total	51.4	42.1	2.9	–	96.4	96.5
Premises	12.9	43.0	39.5	–	95.4	88.9
Interest payable on bond liabilities	–	–	–	13.1	13.1	10.5
Total per income and expenditure account	482.9	384.0	64.8	13.1	944.8	874.0

The depreciation charge has been funded by:

Deferred capital grants (note xv)	38.4
Revaluation reserve (note xvii)	6.0
General income	20.4
	<u>64.8</u>

Auditors' remuneration

2014	2013
£000	£000

Other operating expenses include:

Audit fees payable to the University's external auditors	205	187
Other fees payable to the University's external auditors	55	13
Audit fees payable to other firms	8	3
	<u>8</u>	<u>3</u>

These amounts include related irrecoverable VAT.

viii Surplus on continuing operations for the year

2014	2013
£m	£m

The surplus on continuing operations for the year is made up as follows:

University's surplus for the year	13.5	26.5
Surplus generated by subsidiary undertakings and transferred to the University under gift aid	4.4	4.9
	<u>17.9</u>	<u>31.4</u>
Surplus dealt with in the accounts of the University	17.9	31.4
Surplus / (deficit) retained in subsidiary undertakings	(0.3)	(0.1)
	<u>17.6</u>	<u>31.3</u>

NOTES TO THE UNAUDITED ACCOUNTS IN RESPECT OF ACADEMIC ACTIVITIES (continued)

ix	Tangible fixed assets	Land and buildings £m	Assets in construction £m	Equipment £m	Heritage assets £m	2014 Total £m	2013 Total £m
	<i>Group</i>						
	Cost or valuation						
	At 1 August	1,267.9	31.2	206.4	58.4	1,563.9	1,471.8
	Additions at cost	10.0	76.2	31.8	1.0	119.0	97.3
	Transfers	12.0	(12.0)	–	–	–	–
	Transfer from fixed asset investments	1.9	–	–	–	1.9	14.0
	Transfer to fixed asset investments	–	–	–	–	–	(14.8)
	Disposals	(0.6)	–	(6.1)	–	(6.7)	(4.4)
	At 31 July	1,291.2	95.4	232.1	59.4	1,678.1	1,563.9
	Depreciation						
	At 1 August	346.5	–	167.3	–	513.8	462.3
	Charge for the year	43.8	–	21.0	–	64.8	55.8
	Elimination on transfer to fixed asset investments	–	–	–	–	–	(0.1)
	Elimination on disposals	(0.4)	–	(5.8)	–	(6.2)	(4.2)
	At 31 July	389.9	–	182.5	–	572.4	513.8
	Net book value						
	At 31 July	901.3	95.4	49.6	59.4	1,105.7	1,050.1
	At 1 August	921.4	31.2	39.1	58.4	1,050.1	1,009.5
	<i>University</i>						
	Cost or valuation						
	At 1 August	1,281.6	31.1	205.4	58.4	1,576.5	1,484.0
	Additions at cost	10.0	76.9	31.8	1.0	119.7	97.7
	Transfers	12.6	(12.6)	–	–	–	–
	Transfer from fixed asset investments	1.9	–	–	–	1.9	14.0
	Transfer to fixed asset investments	–	–	–	–	–	(14.8)
	Disposals	(0.6)	–	(6.1)	–	(6.7)	(4.4)
	At 31 July	1,305.5	95.4	231.1	59.4	1,691.4	1,576.5
	Depreciation						
	At 1 August:	351.4	–	166.6	–	518.0	466.0
	Charge for the year	44.4	–	20.9	–	65.3	56.3
	Elimination on transfer to fixed asset investments	–	–	–	–	–	(0.1)
	Elimination on disposals	(0.4)	–	(5.8)	–	(6.2)	(4.2)
	At 31 July	395.4	–	181.7	–	577.1	518.0
	Net book value						
	At 31 July	910.1	95.4	49.4	59.4	1,114.3	1,058.5
	At 1 August	930.2	31.1	38.8	58.4	1,058.5	1,018.0

Land and buildings includes land totalling £78.2m (2013: £78.2m) which is not depreciated.

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

NOTES TO THE UNAUDITED ACCOUNTS IN RESPECT OF ACADEMIC ACTIVITIES (continued)

ix Tangible fixed assets (continued)

Heritage assets

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

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

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

Additions for the current and previous four years were as follows:	2014 £m	2013 £m	2012 £m	2011 £m	2010 £m
Acquisitions purchased with specific donations	0.4	4.0	0.9	0.1	1.7
Value of acquisitions by donation	0.1	11.6	4.7	1.2	1.9
Total acquired by, or funded by, donations	0.5	15.6	5.6	1.3	3.6
Acquisitions purchased with University funds	0.5	0.7	0.3	0.1	0.1
Total acquisitions capitalized	1.0	16.3	5.9	1.4	3.7

x Fixed asset investments	Group	Group	University	University
	2014 £m	2013 £m	2014 £m	2013 £m
Opening balance	772.4	429.9	767.5	425.9
Net transfers from / (to) tangible fixed assets	(1.9)	0.7	(1.9)	0.7
Other net additions in the year	37.0	247.2	36.8	247.2
Increase in market value of investments	27.7	94.6	26.4	93.7
Closing balance	835.2	772.4	828.8	767.5
Represented by:				
CUEF units (see note xix)	638.5	592.2	638.5	592.2
Property	99.7	65.6	99.7	66.0
Securities	80.2	100.2	80.2	100.2
Money market investments	0.1	0.1	0.1	0.1
Investments in subsidiary undertakings	–	–	1.9	1.9
Investment in spin-out companies	16.7	14.3	8.4	7.1
	835.2	772.4	828.8	767.5

xi Endowment assets				
CUEF units (see note xix)	1,003.2	974.4	1,001.1	974.4
Property	0.6	0.8	0.6	0.8
Securities	26.1	25.8	26.1	25.8
Investment in spin-out companies	4.6	4.3	4.6	4.3
Money market investments	71.7	54.2	71.7	54.2
Bank balances	0.2	–	–	–
	1,106.4	1,059.5	1,104.1	1,059.5

xii Debtors				
Research grants recoverable	76.1	70.3	76.1	70.3
Amounts due from subsidiary undertakings, Cambridge Assessment and Cambridge University Press	20.7	20.1	28.1	26.6
Other debtors	61.3	47.3	53.1	39.7
	158.1	137.7	157.3	136.6

NOTES TO THE UNAUDITED ACCOUNTS IN RESPECT OF ACADEMIC ACTIVITIES (continued)

xiii Current asset investments	Group	Group	University	University
	2014	2013	2014	2013
	£m	£m	£m	£m
CUEF units (see note xix)	642.2	570.2	644.4	570.2
Money market investments	230.7	284.8	230.7	284.8
Cash in hand and at investment managers	76.0	84.7	76.0	84.7
Other investments	0.1	0.2	0.1	0.2
	949.0	939.9	951.2	939.9
Representing:				
University	237.8	252.8	236.3	251.1
Held on behalf of subsidiary undertakings, Colleges and other associated bodies (see note xiv)	711.2	687.1	714.9	688.8
	949.0	939.9	951.2	939.9

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

xiv Creditors: amounts falling due within one year

Bank overdraft	3.0	3.6	3.0	3.6
Research grants received in advance	175.0	164.9	173.8	164.9
Other creditors	191.2	145.1	181.1	134.0
Investments held on behalf of subsidiary undertakings, Colleges, and other associated bodies (see note xiii)	711.2	687.1	714.9	688.8
	1,080.4	1,000.7	1,072.8	991.3

xv Creditors: amounts falling due after more than one year

Bond liabilities	342.3	342.3	342.3	342.3
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On 17 October 2012 the University issued £350m of 3.75% unsecured Bonds due October 2052 (the "Bonds"). The Bonds were issued at 98.168% of their principal amount. The proceeds of issue, less directly attributable transaction costs, amounted to £342m. Interest at 3.75% pa is payable on 17 April and 17 October each year commencing on 17 April 2013. The Bonds are listed on the London Stock Exchange. Unless previously redeemed, the Bonds will be redeemed at their principal amount of £350m on 17 October 2052. The Bonds are initially measured at the proceeds of issue less all transaction costs directly attributable to the issue. After initial recognition, the Bonds are measured at amortized cost using the effective interest rate method.

xvi Deferred capital grants

<i>Group and University</i>	Funding Council	Research Grants	Other Grants	2014 Total	2013
	£m	£m	£m	£m	£m
Balance 1 August					
Buildings	253.1	62.1	186.4	501.6	495.1
Equipment	3.6	18.4	0.5	22.5	20.0
	256.7	80.5	186.9	524.1	515.1
Grants received					
Buildings	18.0	0.4	18.3	36.7	30.2
Equipment	0.1	18.1	–	18.2	12.6
	18.1	18.5	18.3	54.9	42.8
Released to income and expenditure					
Buildings – to match depreciation	(13.8)	(3.6)	(8.7)	(26.1)	(23.7)
Equipment – to match depreciation	(2.1)	(10.2)	–	(12.3)	(10.0)
Equipment – on disposals	(0.1)	(0.1)	–	(0.2)	(0.1)
	(16.0)	(13.9)	(8.7)	(38.6)	(33.8)
Balance 31 July					
Buildings	257.3	58.9	196.0	512.2	501.6
Equipment	1.5	26.2	0.5	28.2	22.5
	258.8	85.1	196.5	540.4	524.1

NOTES TO THE UNAUDITED ACCOUNTS IN RESPECT OF ACADEMIC ACTIVITIES (continued)

xvii Endowments				2014	2013
<i>Group</i>	Expendable	Permanent		Total	Total
	£m	£m		£m	£m
Balance 1 August	238.9	820.6		1,059.5	890.4
Endowments received	17.1	6.9		24.0	33.7
Income receivable from endowment asset investments	7.1	31.8		38.9	36.4
Expenditure	(20.7)	(25.4)		(46.1)	(44.2)
Net transfer (to) / from income and expenditure account	(13.6)	6.4		(7.2)	(7.8)
Increase in market value of investments	4.4	25.7		30.1	143.2
Balance 31 July	246.8	859.6		1,106.4	1,059.5
Capital	229.6	746.1		975.7	938.5
Unspent income	17.2	113.5		130.7	121.0
Balance 31 July	246.8	859.6		1,106.4	1,059.5
Representing:					
Trust and Special Funds:					
Professorships, Readerships, and Lectureships	50.9	422.3		473.2	453.2
Scholarships and bursaries	11.7	109.7		121.4	116.9
Other	145.4	317.9		463.3	441.7
Specific donations	38.8	–		38.8	38.3
General endowments	–	9.7		9.7	9.4
Total	246.8	859.6		1,106.4	1,059.5
<i>University</i>	Expendable	Permanent		2014	2013
	£m	£m		Total	Total
				£m	£m
Balance 1 August	238.9	820.6		1,059.5	890.4
Endowments received	17.0	4.6		21.6	33.7
Income receivable from endowment asset investments	7.1	31.8		38.9	36.4
Expenditure	(20.7)	(25.3)		(46.0)	(44.2)
Net transfer (to) / from income and expenditure account	(13.6)	6.5		(7.1)	(7.8)
Increase in market value of investments	4.4	25.7		30.1	143.2
Balance 31 July	246.7	857.4		1,104.1	1,059.5
Capital	229.5	743.9		973.4	980.5
Unspent income	17.2	113.5		130.7	79.0
Balance 31 July	246.7	857.4		1,104.1	1,059.5
xviii Reserves					
<i>Group</i>	General	Operational	Fixed asset	2014	2013
	reserves	property	investment	Total	Total
	£m	revaluation	revaluation	£m	£m
		reserve	reserve		
		£m	£m		
Balance 1 August	736.9	121.2	186.7	1,044.8	911.1
Surplus retained for the year	24.8	–	–	24.8	39.1
Transfer in respect of depreciation on revalued operational properties	6.0	(6.0)	–	–	–
Transfer in respect of disposals of fixed asset investments	29.4	–	(29.4)	–	–
Increase in market value of investments	–	–	27.6	27.6	94.6
Balance 31 July	797.1	115.2	184.9	1,097.2	1,044.8
<i>University</i>					
Balance 1 August	745.7	121.2	179.5	1,046.4	913.5
Surplus retained for the year	25.0	–	–	25.0	39.2
Transfer in respect of depreciation on revalued operational properties	6.0	(6.0)	–	–	–
Transfer in respect of disposals of fixed asset investments	29.1	–	(29.1)	–	–
Increase in market value of investments	–	–	26.4	26.4	93.7
Balance 31 July	805.8	115.2	176.8	1,097.8	1,046.4

NOTES TO THE UNAUDITED ACCOUNTS IN RESPECT OF ACADEMIC ACTIVITIES (continued)

xix Cambridge University Endowment Fund (CUEF)

The University operates a unitized fund, the Cambridge University Endowment Fund (CUEF), for long-term investment in respect of individual restricted endowments and other balances, and by other group undertakings. The CUEF is managed on a total return basis. Distributions are made to unit-holding funds according to a formula which has regard to the total return reasonably to be expected in the long term, in proportion to the number of units held. Investing funds receive distributions as income.

The assets of the CUEF were held in the following categories:

	31 July 2014		31 July 2013	
	£m	%	£m	%
Public equity	1,449.6	63.5%	1,280.2	59.9%
Private investment	206.8	9.1%	175.9	8.2%
Absolute return	269.5	11.8%	259.6	12.2%
Credit	72.9	3.2%	66.2	3.1%
Real assets	195.7	8.6%	211.0	9.9%
Fixed interest / cash	89.4	3.9%	143.9	6.7%
Total value of fund	2,283.9	100.0%	2,136.8	100.0%

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

Private investment includes investments where initial capital commitments are drawn down over a period, and the proceeds of the investments once disposed of are returned over the life of each fund. The underlying investments 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.

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. Inflation-linked government securities are, however, included in the fixed interest category below.

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

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

	Group	Group	University	University
	2014	2013	2014	2013
	£m	£m	£m	£m
Fixed asset investments (see note x)	638.5	592.2	638.5	592.2
Endowment assets (see note xi)	1,003.2	974.4	1,001.1	974.4
Current asset investments (see note xiii) – balances held on behalf of:				
Subsidiary undertakings	–	–	2.1	–
Colleges	91.2	65.6	91.2	65.6
Other associated bodies	551.0	504.6	551.1	504.6
Total included in current asset investments	642.2	570.2	644.4	570.2
Total value of units	2,283.9	2,136.8	2,284.0	2,136.8

NOTES TO THE UNAUDITED ACCOUNTS IN RESPECT OF ACADEMIC ACTIVITIES (continued)

xx	Capital commitments	2014	2013
		£m	£m
	Commitments for capital expenditure:		
	Commitments contracted at 31 July	153.9	108.1
	Authorized but not contracted at 31 July	347.8	100.9
		<hr/>	<hr/>
	Commitments for capital calls on investments:	193.3	163.7
		<hr/>	<hr/>

xxi 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). With the exception (from 1 January 2013) of the CPS, employees covered by the schemes are contracted out of the State Second Pension. The assets of the schemes are held in separate trustee-administered funds. The USS and the CPS are not closed, nor is the age profile of their active membership rising significantly. The 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. The University also has a smaller number of staff in other pension schemes, including the National Health Service Pension Scheme (NHSPS).

		2014	2013
		£m	£m
	The total pension cost for the year (see note vi) was:		
	USS: contributions	59.8	54.5
	CPS: contributions	21.4	27.1
	NHSPS: contributions	2.1	1.9
	Contributions to other pension schemes	1.5	0.9
		<hr/>	<hr/>
		84.8	84.4
		<hr/>	<hr/>