UNIVERSITY OF CAMBRIDGE

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Annual Report and Financial Statements 2025

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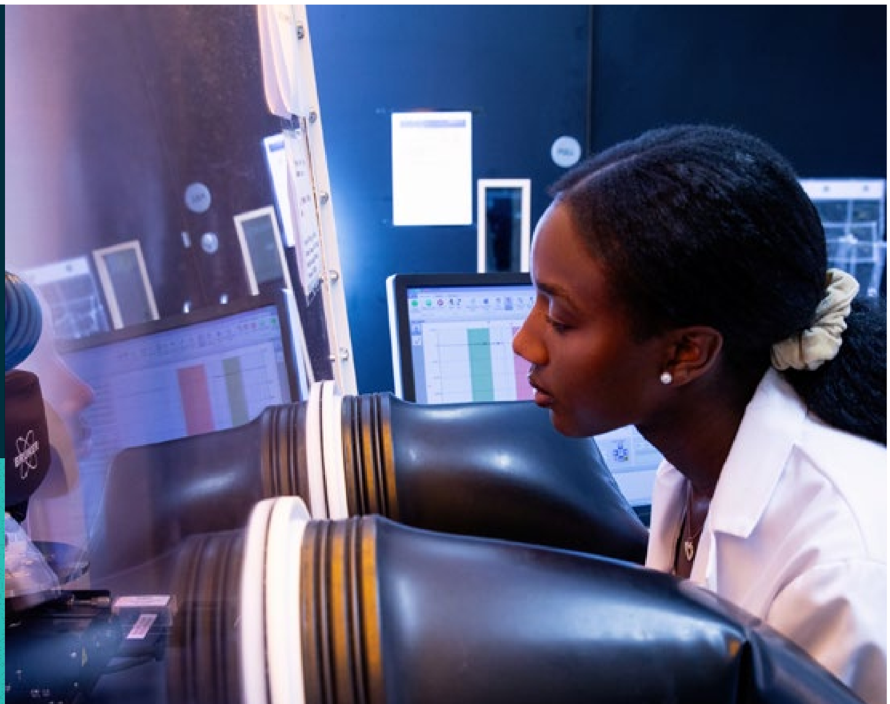

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Key Highlights

Vice-Chancellor's **statement**

It is now over two years since I joined the University, and yet I continue to be inspired by the stories of impact, innovation, and outreach that I encounter.

Professor Deborah Prentice
Vice-Chancellor

2024-25 was a landmark year, including the election by more than 25,000 members of our community of our new Chancellor: Chris Smith, Lord Smith of Finsbury. His deep knowledge of Cambridge and his record of public service equip him to be an outstanding ambassador for our University and for higher education more broadly. I know I speak for all the University community when I thank his predecessor, Lord Sainsbury of Turville, for his distinguished service.

We also entered a new era for physics research and education at Cambridge with the opening of the Ray Dolby Centre, the state-of-the-art home of the Cavendish Laboratory. This extraordinary national facility, made possible by the generosity of the Dolby family and the support of the UK government, will drive discovery in fields from quantum communications to energy storage.

Our researchers continue to translate discovery into real-world impact. Cambridge scientists developed the first ever targeted treatment for a rare genetic hereditary illness that has already changed a young patient's life. Others found a way to harness gut microbes against the threat of 'forever chemicals,' launched Europe's first incisionless ultrasound cancer surgery, and created an AI system that redefines the possibilities of weather forecasting. Each of these breakthroughs shows how Cambridge research is shaping a healthier and more sustainable future.

Cambridge can also claim to have stretched the boundaries of knowledge itself. Astronomers led by Professor Nikku Madhusudhan reported the most promising evidence yet of a possible biosignature beyond our solar system. While the researchers are not yet claiming definitive evidence of life on other planets, their work is taking new steps toward answering that most essential of questions: are we alone?

Cambridge has been recognised once again for its leadership in innovation; of the UK's top three universities for spinouts, Cambridge saw the largest growth in the number of spinouts over 2024, according to a report by the Royal Academy of Engineering. Elsewhere, the launch of the Bennett School of Public Policy will ensure that the knowledge created here informs practice and decision-making at the highest levels, while initiatives such as the Trinity Cambridge Research Studentships will support the next generation of scholars.

Cambridge's influence reaches into society and culture as well, whether it's the success of our STEM SMART widening participation initiative or our research on accent bias in the justice system. The year also saw a silver-gilt medal at the Chelsea Flower Show, and the award of an honorary degree to the rapper Stormzy – the latter in recognition of his philanthropy providing financial support to black UK students, an under-represented cohort at Cambridge.

I remain committed to ensuring that Cambridge is a place where robust debate flourishes. In our latest Vice-Chancellor's Dialogues, we confronted the complex issues surrounding free speech. Now perhaps more than ever, the ability to disagree well is fundamental.

This year's Annual Report illustrates how Cambridge combines tradition with innovation, and local action with global ambition. It is my privilege to be a part of this extraordinary community as we look ahead with confidence to the challenges and opportunities of the year to come.

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 25,000 students include around 11,000 international students. In 2024-25, 71% 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.

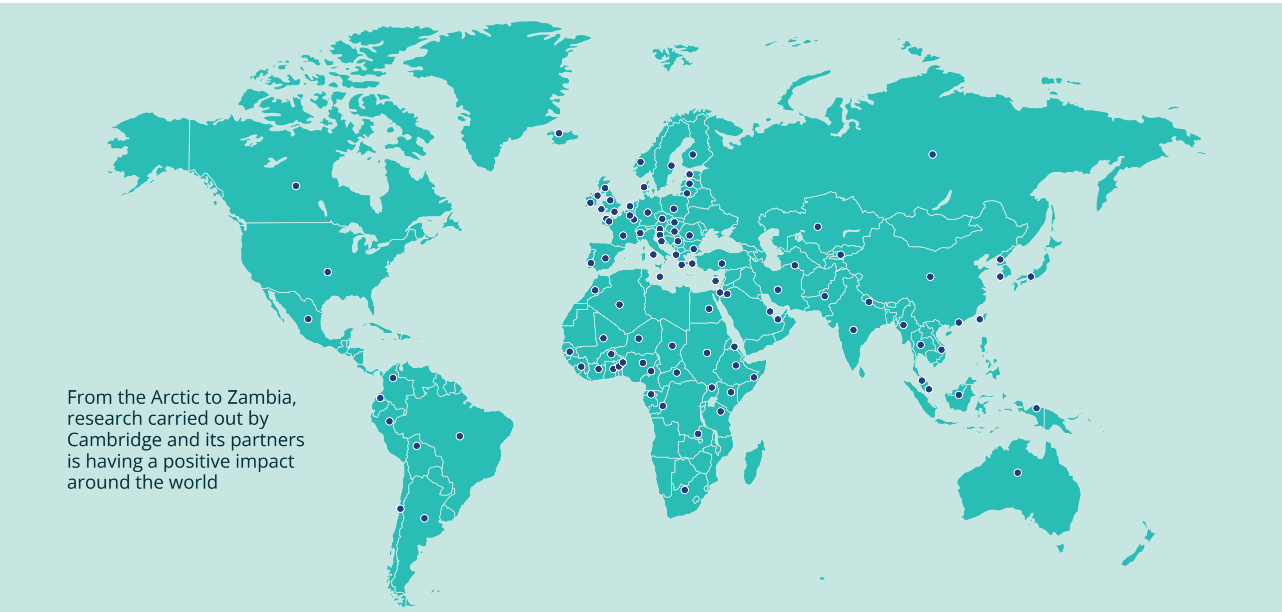
A 2023 report found that the University contributes nearly £30 billion to the UK economy annually and supports more than 86,000 jobs across the UK, including 52,000 in the East of England. For every £1 the University spends, it creates £11.70 of economic impact, and for every £1 million of publicly-funded 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 4,500 knowledge-intensive firms employ more than 75,000 people and generate £25 billion in turnover. 26 billion-dollar businesses have been founded in Cambridge.

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 on pages 10 to 19. 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.



https://impactmap.cam.ac.uk/

Environmental **sustainability**

Cambridge's world-leading research and education continue to play a key role in building a resilient and sustainable future and educating future leaders equipped to tackle global environmental challenges. The University, however, also needs to deliver its academic activities in an environmentally responsible way and some of the key initiatives in this area are highlighted below.

Sustainable research practices

In October 2024, the University became a signatory of the Concordat for the Environmental Sustainability of Research and Innovation Practice. As a signatory of the Concordat, the University is required to take action, at both the institutional level and at the level of teams and individuals involved in the delivery of research and innovation activity, to adopt and promote environmentally sustainable practices. A body of work is underway to ensure the University can meet, and demonstrate it is meeting, these requirements. This work is being supported by the Sustainable Research Sub-Committee, which reports to the Research Policy Committee.

Work is also underway to support departments in responding to the requirements of funding bodies in relation to environmental sustainability. This is an area that is expected to grow so the University is putting processes and support in place to ensure its academic community can demonstrate to funders that they are designing and delivering their research with environmental sustainability in mind.

The University has had an Environmental Management System (EMS) in place for several years, to help manage the wide range of environmental legislation and regulation that applies to its estate, communicate what this means for departments across the University, and drive continuous improvement. In September 2024, the University was successful in gaining accreditation of its EMS to International Standard ISO14001.

Towards a more sustainable estate

The Reshaping our Estate Programme has culminated in the production of a Strategic Estate Framework for the University and associated Strategic Estate Capital Plan. Both documents were approved by the Council on 14 July 2025. These documents set out the vision, strategic direction and financial investment for the University's operational estate over the next 20 years, structured into six Principal Programmes. The objective is to deliver a smaller, higher quality estate that is more efficient, effective, and sustainable. The Strategic Estate Capital Plan will be reviewed and revised annually.

Environmental sustainability is a central element within the Strategic Estate Framework and Strategic Estate Capital Plan. The Framework introduces a design philosophy that will underpin and guide all future developments of the University's operational estate, with environmental infrastructure being a key component to creating a more sustainable and resilient estate that facilitates connection and collaboration.

Within the Strategic Estate Capital Plan, funding has been allocated for decarbonisation projects as part of the Principal Programmes; these projects will form the backbone of the University's decarbonisation programme for the estate over the next 10 to 20 years. Work has been undertaken to identify the most effective and cost-efficient option for decarbonising individual buildings and sites included within the Strategic Estate Capital Plan. This will shape and inform the Principal Programmes and how the allocated funding can be used effectively. The total cost of decarbonisation has, however, not yet been fully quantified, and is not wholly funded under existing capital plans.

Also within the Strategic Estate Capital Plan is provision for environmental infrastructure improvements across biodiversity, transport, power and water. Improvements to environmental infrastructure through the Principal Programmes will help to support delivery of the academic mission now and into the future, while minimising environmental impact.

All Reshaping documents are available to view on Estates Division website.

Environmental **sustainability** (continued)

Carbon emissions from the operational estate

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. Table 1 shows energy-related emissions from the operational estate in 2024-25, compared to the previous year and the carbon reduction target baseline. Progress against the target is measured against the Market-based emissions figures (for transparency, the University's Location-based emissions are also shown).

The University's Market-based emissions have reduced significantly since the target baseline year and are currently below the target trajectory. However, the University's total energy use is on an upward trend; total electricity consumption has increased by around 9% since 2015-16 and total gas consumption by around 20%. The size of the University estate has increased over this period, as have staff and student numbers. The University's energy use is heavily driven by its research activities, many of which are energy-intensive in nature. As the University continues to expand its research in key areas such as physics, medicine and AI, it will also need to continue its efforts to improve energy efficiency and transition to zero-carbon energy sources to ensure it can deliver its academic mission whilst minimising environmental impact.

Further information on progress against the carbon target, and other aspects of the environmental performance of the estate, will be provided on the Environmental Sustainability website in early 2026. The website also provides updates and case studies on work going on across the University to help improve the University's operational environmental performance.

Table 1: Energy-related emissions from the operational estate[1] 2024–25 (tCO_2e)

	2024–25	2023–24	Baseline (2015–2016)
Total scope 1 and 2 Market-based carbon emissions (energy and fuel use) (tCO_2e)[2]	25,140Ⓐ	24,712	74,828
Total scope 1 and 2 Location-based carbon emissions (energy and fuel use) (tCO_2e)[2]	48,142Ⓐ	51,677	74,828
Total nuclear waste generated (tonnes/year)[3]	0.821	0.697	–

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 and Assessment. The Colleges are separate legal entities and out of scope of the University's reported emissions.

2 Scope 1 emissions are direct emissions primarily from gas used for heating buildings. Scope 2 emissions are indirect, coming mainly from electricity used in buildings. For a full understanding of what is included in each metric please refer to our methodology document linked here www.environment.admin.cam.ac.uk/previous-annual-reporting

3 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 EDF Energy.

PricewaterhouseCoopers LLP (PwC) has performed an Independent Limited Assurance engagement on selected balances within the 2024–25 data, shown with the Ⓐ, in accordance with the 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 the Environmental Sustainability webpages along with the **Methodology Statement** – the basis on which the balances are calculated and a description of the limited assurance given.

Environmental **sustainability** (continued)

Sustainability in academic assessment and publishing

Cambridge University Press & Assessment is a signatory of the UN Global Compact, and has embedded its environmental sustainability strategy across its operations and made strong progress in reducing carbon emissions. In 2024-25, it achieved a 17 percent reduction in UK scope 1 and 2 emissions, totalling a 45 percent drop since 2018-19 and meaning the organisation remains on track to reduce emissions by 72% by 2030. Ongoing projects include installing heat pumps, expanding solar energy use, replacing lighting, and applying AI to energy metering to identify where more savings can be made. Cambridge University Press & Assessment is also identifying ways to reduce emissions from its supply chain, including by reducing air freighting volumes, using more print-on-demand technology for Academic books and journals, and trialling sustainable aviation fuel for freighted exam shipments. More information is available in Cambridge University Press & Assessment's Responsibility Report.

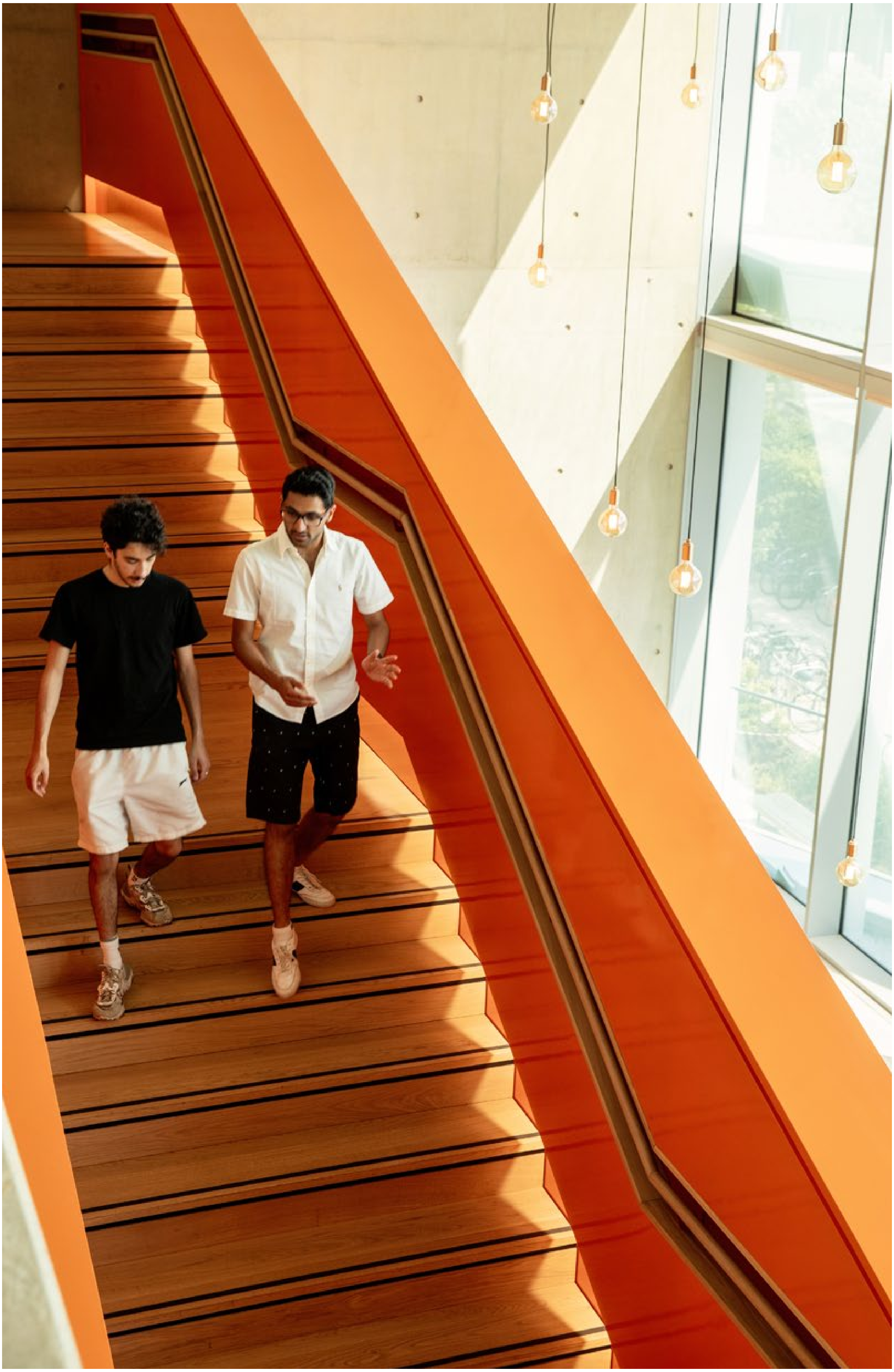
Sustainable investment management

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 investing to achieve a phased approach to net zero, engaging with its fund management partners to decarbonise their portfolios, and reporting with transparency and accountability to stakeholders.

UCIM is committed to working with the University and all stakeholders to deliver on its mission to serve the University, its Colleges, and Trusts by delivering world-class, sustainable investment performance. In 2025, UCIM formed an internal Operational Sustainability working group. Using data from its emissions reporting, UCIM is defining a roadmap to reduce emissions from operations in line with organisational goals. UCIM continues to actively engage with the CUEF's fund management partners to support them to decarbonise their portfolios, including a bespoke executive education programme, delivered in partnership with Cambridge Institute for Sustainability Leadership. UCIM provides regular updates to investors in the CUEF and other University stakeholders on progress against its sustainable investment strategy. Further information is available on UCIM's website.

Looking forward

As part of the Council's plan to strengthen the University's approach to operational environmental sustainability, in early 2025 an independent review of the current approach was undertaken. This has provided a series of recommendations for what the University needs to do to accelerate its progress. These recommendations were considered and approved by the Council in June. Arrangements are now being made to develop a new strategy for operational environmental sustainability, which will build on these recommendations.



Financial **highlights**

The University's audited financial statements for the year ended 31 July 2025 are included after this overview and will be published in the Cambridge University Reporter. 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

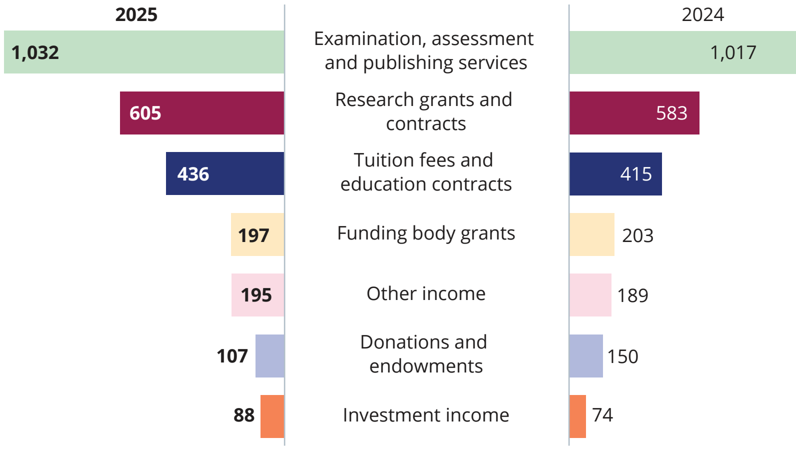
The Group's income has increased by £29m (up 1%) compared to the prior year, mainly due to increased tuition fees and research grants partially offset by a fall in donations and endowments.

Year ended 31 July 2025

£2,660m

Year ended 31 July 2024

£2,631m



Group net assets

The Group's net assets totaled £8,263m at 31 July 2025 (2024: £7,991m). The increase in net assets substantially reflects £321m of net investment gains.

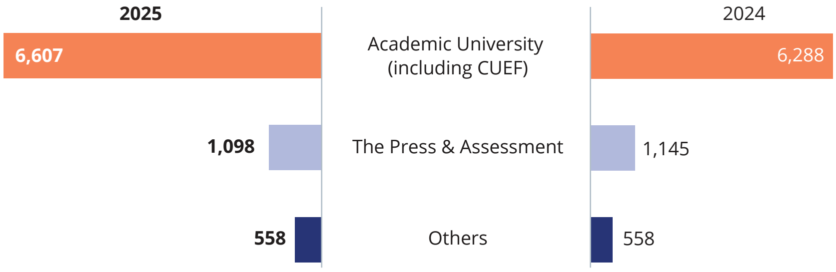
Cash and cash equivalents (excluding cash held in the CUEF) decreased from £479m to £438m in the year. There was an operating cash inflow of £25m (2024: outflow of £58m).

As at 31 July 2025

£8,263m

As at 31 July 2024

£7,991m



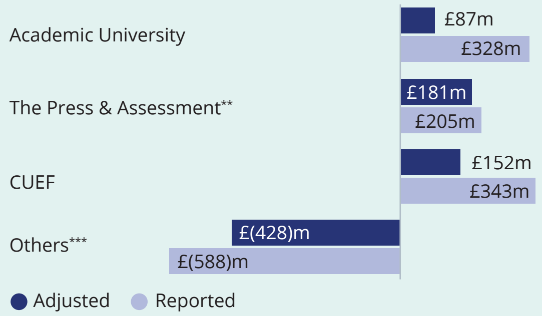
Financial **highlights** (continued)

Group surplus for the year

The Group generated a reported surplus for the year of £287m (2024: £726m). After adjusting for impairments, investment gains, the fair value revaluation of the CPI index linked bond, donations, endowments and capital grant income, and the CUEF income on a distribution basis, the underlying ‘adjusted operating deficit was £8m (2024: £16m deficit). The University considers this to be a meaningful, consistent measure of underlying recurrent operating performance.

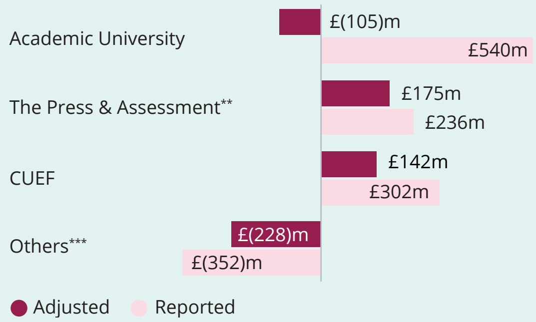
Year ended 31 July 2025

Reported surplus for the year	**£287m**
Adjusted operating deficit for the year*	**£(8)m**



Year ended 31 July 2024

Reported surplus for the year	**£726m**
Adjusted operating deficit for the year*	**£(16)m**



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

Cambridge elects new Chancellor

Chris Smith, Lord Smith of Finsbury, was elected as the new Chancellor of the University of Cambridge.

Lord Smith had been Master of Pembroke since 2015, stepping down at the end of July. He becomes the 109th Chancellor, following Lord Sainsbury of Turville, and will hold the office for ten years.

More than 23,000 alumni and staff voted online and almost 2,000 voted in person at the University's Senate House.

Lord Smith said: "I look forward to being the best possible ambassador for Cambridge, to being a strong voice for higher education more generally, and to working closely together with the Vice-Chancellor and her team."

Lord Chris Smith, the new Chancellor of the University of Cambridge

Born in 1951, Lord Smith was educated in Edinburgh and then Pembroke College, Cambridge, achieving a double first in English (and later a PhD on Wordsworth and Coleridge). He became MP for Islington South and Finsbury in 1983. In 1992, he joined the Shadow Cabinet, serving as Secretary of State for Culture, Media and Sport until 2001 when he returned to the back benches, standing down from the Commons in 2005.

Cavendish Laboratory

A new era for UK physics research

The Ray Dolby Centre, the new home for Cambridge's Cavendish Laboratory and a major asset for the University, the city and the country, was officially opened in May 2025.

Named in recognition of a generous £85 million donation from the estate of Cambridge alumnus and sound pioneer Ray Dolby, along with £75 million support from the UK government through the Engineering and Physical Sciences Research Council (EPSRC), the Ray Dolby Centre stands as a testament to Dolby's enduring legacy and commitment to scientific innovation.

The new home of the Cavendish – one of the world's most influential science laboratories – features 173 labs, lecture halls, learning and collaborative spaces, workshops, cleanrooms and offices. Serving as a new national hub for physics, the Ray Dolby Centre is set to revolutionise physics research and education at Cambridge and around the UK, and boost innovation in key areas such as semiconductors, quantum communications, new methods of disease detection, and large-scale energy generation and storage.

Top: Catchpole family on holiday in 2012
Bottom: Mary Catchpole (left) with Dr Anita Chandra

UK first for teenager with life-threatening illness

A teenager who lost her mother to a rare genetic hereditary illness became the first patient in the UK to receive a new treatment developed by Cambridge researchers and approved for use on the NHS.

Mary Catchpole, 19, was given the newly-licensed drug leniolisib at Addenbrooke's Hospital, Cambridge. It is the first ever targeted treatment for a rare, inherited condition known as Activated PI3-Kinase delta syndrome (APDS).

Discovered just over a decade ago by Cambridge researchers, APDS is a debilitating and life-threatening condition, with patients more likely to develop blood cancers like lymphoma. The Cambridge team identified a change in their genes that increased activity of an enzyme called PI3-Kinase delta. The new treatment – one tablet taken twice a day – aims to inhibit the enzyme.

Dr Anita Chandra from Addenbrooke's Hospital and the University of Cambridge said: "It is incredible to go from the discovery of a new disease in Cambridge to a treatment being approved and offered on the NHS within the space of 12 years."

Leading the way in innovation

Cambridge was named as the leading UK university powering global innovation by analytics firm, Clarivate.

To demonstrate the link between research and innovation, the report looked at patents granted to the top 100 global innovation companies worldwide and the academic papers they cited in support of the patent application. By this metric, of the world's top 50 universities, Cambridge was the leading UK institution and sixth globally.

At the same time, a report published by the Royal Academy of Engineering in collaboration with Beauhurst, showed that of the UK's top three universities for spinouts – Oxford, Cambridge and Imperial – Cambridge saw the most growth in 2024, spinning out 26 new companies.

Student at the Maxwell Centre

Panellists at the Vice-Chancellor's Dialogues event on free speech

Free Speech: where do we draw the line?

Vice-Chancellor Professor Deborah Prentice hosted the third in her series of 'Vice-Chancellor's Dialogues', which encourage 'disagreeing well' and explore different perspectives on some of the most difficult issues of our time.

This time, the event focused on free speech, which some argue is in crisis, saying that legitimate debate has been eroded over recent years, while others say speech has never been fully free.

Professor Prentice told the audience: "You may find some of the views expressed tonight personally distasteful, but I firmly believe it is better to hear them than to shut them down. We have the right to disagree but not the right to insist that only our view must prevail."

Is there life outside our solar system?

A Cambridge-led team of astronomers has detected the most promising signs yet of a possible biosignature outside the solar system, although they remain cautious.

Using data from the James Webb Space Telescope, a team led by Professor Nikku Madhusudhan detected the chemical fingerprints of dimethyl sulfide and/or dimethyl disulfide, in the atmosphere of the exoplanet K2-18b, which orbits its star in the habitable zone.

On Earth, these two molecules are only produced by life such as marine phytoplankton. While an unknown chemical process may be the source of these molecules in K2-18b's atmosphere, the results are the strongest hints yet that life could exist outside our solar system.

Further observations are still required to reach the all-important 'five sigma' classification for a definitive discovery, however.

"It's important that we're deeply sceptical of our own results, because it's only by testing and testing again that we will be able to reach the point where we're confident in them," Madhusudhan said. "That's how science has to work."

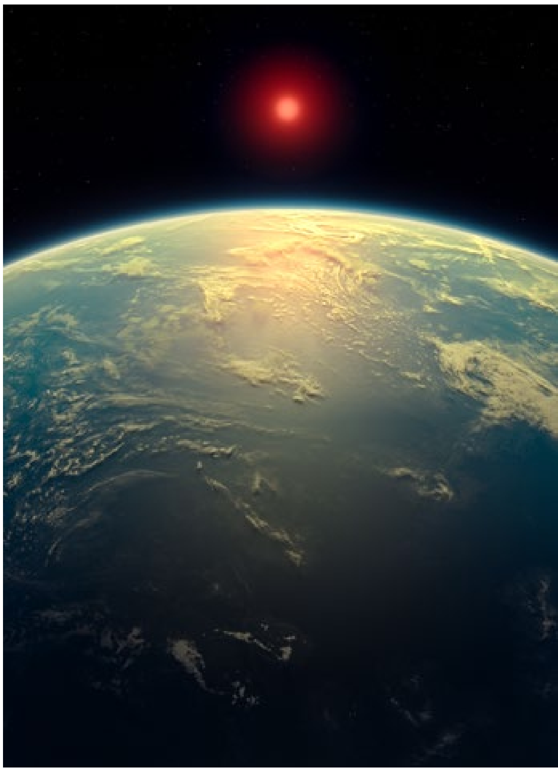


Illustration of a hycean world. Credit: A. Smith, N. Madhusudhan (University of Cambridge)

Edison Histotripsy System. Credit: HistoSonics

Cutting-edge ultrasound treatment for cancer

NHS patients at Addenbrooke's Hospital, Cambridge, have become the first in the UK and Europe to undergo incisionless ultrasound surgery using a cutting-edge 'histotripsy machine' as part of their cancer care.

The Edison Histotripsy System was purchased thanks to a donation to the University from philanthropist Sir Ka-shing Li, a longstanding supporter of cancer research at the University.

Histotripsy uses pulsed sound waves to destroy tissue while avoiding ionising energy of radiation, heat damage from thermal treatments, or the need for surgery.

Treatment is delivered via a single short session – potentially taking no longer than 30 minutes – with limited or no pain and a quick recovery, reducing cancer treatment times, avoiding disease progression and improving cancer survival.

The Old Bailey Art De Cade via Flikr under CC license

Accent bias in the criminal justice system

A study led by Cambridge's Phonetics Laboratory found that people who speak with accents perceived as working class risk being stereotyped as more likely to have committed a crime, and becoming victims of injustice.

Negative stereotyping of accents including those from Liverpool, Newcastle, Bradford, and London can, the researchers argue, affect all parts of the criminal justice system from arrest to sentencing, and undermine not only suspects and defendants, but also the testimony of witnesses.

The study contributes to the 'Improving Voice Identification Procedures' project which has drafted revised guidelines for voice identification parades aimed at police officers and legal professionals.

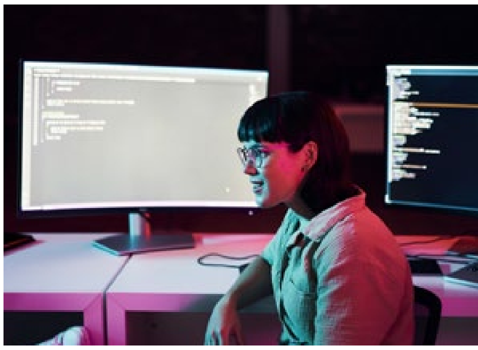
New Policy School launches at Cambridge

The Bennett School of Public Policy, a flagship initiative that marks the University's first major new academic department in decades, was launched in March ahead of its opening in October 2025.

The School, led by Professors Dame Diane Coyle and Michael Kenny, will harness expertise from across the Cambridge community to develop practical solutions to urgent policy problems – from tech disruption to the effects of inequality.

Backed by the Peter Bennett Foundation, the School builds on the success of the Bennett Institute for Public Policy, and will run the established MPhil in Public Policy as well as launching a new MPhil in Digital Policy.

Research priorities will include the adoption of artificial intelligence across private and public sectors, and the revitalisation of post industrial regions.



Credit: Getty Images

Sainsbury Lab Cambridge University researcher shares science with public at Chelsea. Credit: J.Garget

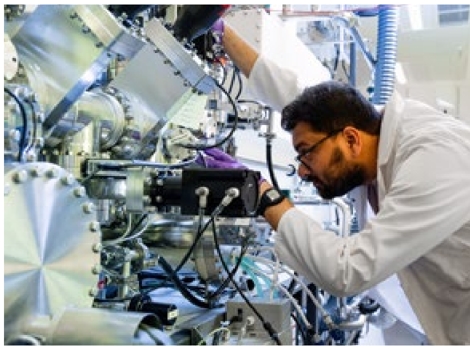
Cambridge success at RHS Chelsea Flower Show

A team from the Sainsbury Laboratory presented their latest research at a new 'GreenSTEM' section of the 2025 Chelsea Flower Show in May, winning a prestigious silver-gilt medal.

The team's interactive exhibit, 'Blooming Numbers', highlighted the latest research techniques and technologies used by our scientists in their quest to understand the complexity of plants. Using model plants, many never seen before at Chelsea, scientists showcased how they investigate the fundamental mechanisms of plant growth and development.

The exhibit was designed in collaboration with a team from the Department of Engineering, who built a sweeping structure inspired by the Fibonacci sequence – a numerical pattern found throughout nature. Local partners Oakington Garden Centre and Darwin Nurseries provided plants for the display.

New PhD funding programme launched



Student at the Maxwell Centre

Trinity College partnered with the University to establish the Trinity Cambridge Research Studentships providing more opportunities for those wanting to study for a PhD.

The initiative comes at a time of growing competition for financial support for postgraduate research. 30 students will be supported per year over five years, but the aim is to raise £48 million in total, funding up to 300 over a ten-year period.

Trinity Fellow and Nobel laureate Professor Didier Queloz said Cambridge was an extraordinary place.

"When I came ten years ago, I was attracted by the diversity of the culture, the Cambridge way of life – in the sense that you interact with a lot of people, you have this mixing of different ideas."

Stormzy at the Honorary Degree ceremony in Senate House

Rapper Stormzy among this year's Honorary Degrees

The award-winning rapper, Stormzy, was among eight people awarded honorary degrees in June. Stormzy, whose real name is Michael Ebenezer Kwadjo Omari Owuo Jr, was presented with a Doctorate in Law in recognition of his philanthropy, providing financial support to Black UK students (an under-represented cohort at Cambridge).

The other notable individuals receiving honorary degrees were: BAFTA award winning actor, Sir Simon Russell Beale; American civil rights campaigner and author, Professor Angela Davies; former Supreme Court Justice, Lady Arden of Heswell; Baroness Katherine Grainger, Chair of the British Olympic Association; Nobel Prize winning economist, Sir Oliver Hart; Professor Maria Leptin, President of the European Research Council; and composer and conductor, Sir John Rutter.

Using AI to revolutionise weather forecasting

Professor Richard Turner using Aardvark Weather. Credit: The Alan Turing Institute

A new AI weather-prediction system, developed by Cambridge researchers, can deliver accurate forecasts tens of times faster and using thousands of times less computing power than current systems.

The team replaced the entire weather prediction pipeline with a single, simple machine learning model. Aardvark Weather takes in observations from satellites, weather stations, and other sensors to produce both global and local forecasts.

This approach means predictions that once required many supercomputers and support teams to run can now be produced in minutes on a desktop computer.

Using just 10% of the input data of existing systems, Aardvark already outperforms the United States national GFS forecasting system on many variables.

A-level students receive STEM subjects support at Cambridge

A SMART way to boost A-level students' grades

Hundreds of A-level students who joined Cambridge's STEM SMART widening participation programme were more aspirational, received higher grades, and were more successful at securing places at top universities than students from similar backgrounds who did not take part – according to new UCAS analysis.

STEM SMART launched in 2021, to help bridge attainment gaps in maths and science A-level subjects. Its programme of weekly online subject specific tutorials, mentoring, and a residential stay in Cambridge, now supports students at more than 800 state schools across the country.

Sixth formers from the most deprived backgrounds saw the biggest average grade boost in their A-levels across maths, further maths, physics, chemistry and biology, with physics students on average achieving a grade higher.

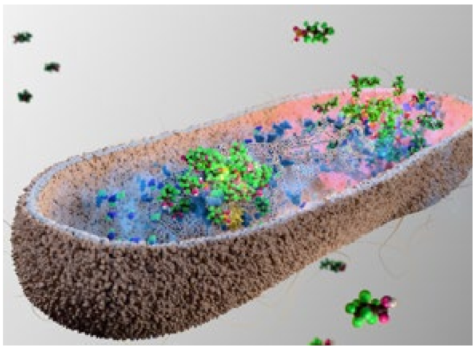
Getting rid of 'forever chemicals'

Cambridge scientists have discovered that certain species of microbe found in the human gut can absorb PFAS – the toxic and long-lasting 'forever chemicals.'

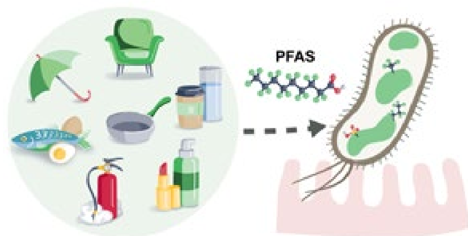
PFAS have been linked with a range of health issues including decreased fertility, developmental delays in children, and a higher risk of certain cancers and cardiovascular diseases. Boosting these species in our gut microbiome could help protect us from the harmful effects of these chemicals.

The team at the MRC Toxicology Unit identified a family of bacterial species that absorb various PFAS molecules from their surroundings. When nine of these species were introduced into the guts of mice to 'humanise' the mouse microbiome, the bacteria rapidly accumulated PFAS eaten by the mice, which were then excreted in faeces.

The researchers plan to use their discovery to create probiotic dietary supplements that boost the levels of these helpful microbes in our gut to protect against PFAS's toxic effects. They have co-founded a startup, Cambiotics, supported by Cambridge Enterprise, and are investigating various ways of turbo-charging the microbes' performance.



PFAS accumulation in gut bacteria. Credit: Peter Northrop/MRC Toxicology Unit



Common sources of PFAS, which accumulate in gut bacteria as dense clumps. Credit: Indra Roux and Rachel Fellows/MRC Toxicology Unit

Cambridge **Enterprise**

Cambridge Enterprise Limited (Cambridge Enterprise) is the University's innovation arm, providing the resources, expertise, and networks needed to translate Cambridge research into life-changing outcomes with world-changing impact.

The ever-increasing engagement in innovation and entrepreneurship activities by the University community highlights the dynamic and evolving nature of Cambridge's entrepreneurial ecosystem. Last year Cambridge Enterprise supported over 2,700 academics, researchers, staff and students in the development and licensing of technologies, academic consultancy services and venture creation.

University members are championed to transform ideas into commercial opportunities, build strong relationships with industry and further extend the reach of Cambridge expertise through global academic consultancy.

The Technology Investment Fund, established in 2023 to de-risk and accelerate technologies to market, has so far committed over £3m into 35 projects covering a range of areas including novel immunotherapy and large language model testing.

The Cambridge Enterprise Ventures team approved investments totalling £7.4m into 46 companies, including 17 new spinouts and startups. This year also marks 15 years of the Discovery Fund, a donated fund to invest in science with clear commercial potential. With 47 companies supported to date, the original fund of £1.8m has returned £8.6m to invest in the next generation of innovation, most recently supporting social ventures and Founders at the University of Cambridge START programmes.

Cambridge Enterprise plays a crucial role in activating and enhancing the world-renowned Cambridge innovation ecosystem.
Credit: David Johnson

Founders at the University of Cambridge has continued to develop the ways in which the initiative accelerates new founders and their companies, while also growing the supporting community of experts to over 280 members in 16 countries. Of the 19 startups that have completed the START programme to date, 12 have collectively secured over £14m in further funding. A new programme, SYNC, was introduced to connect people to form co-founding teams and launch new startups, and in collaboration with King's College Entrepreneurship Lab, SPARK, an incubator programme for students and alumni was launched.

I/E Cambridge continues to be instrumental in convening innovation and entrepreneurship activities across the University and wider ecosystem, acting as a central hub to help entrepreneurs navigate the

Creative Cambridge supports university and industry collaborations in the creative sector. Pictured: Dr Emma Salgård Cunha, Cambridge Enterprise.
Credit: David Johnson

Cambridge **Enterprise** (continued)

rich support on offer. This breadth of activities was illustrated in the first Innovation and Entrepreneurship at the University of Cambridge report which gave a compelling overview showcasing the University as a powerhouse of entrepreneurship. Innovators are also supported by ideaSpace, the University's incubator and community for founders and early-stage ventures, whose members benefit from peer networking and a network of over 1,100 alumni.

Innovate Cambridge, co-founded by Cambridge Enterprise, Cambridge Innovation Capital, and the University of Cambridge, continued to build its ambitious strategy for the Cambridge ecosystem. At the 2024 Summit, a ten-year blueprint to become the world's leading science and tech region was unveiled, along with a shared innovation story for the city.

Innovation and Entrepreneurship at the University of Cambridge 2024

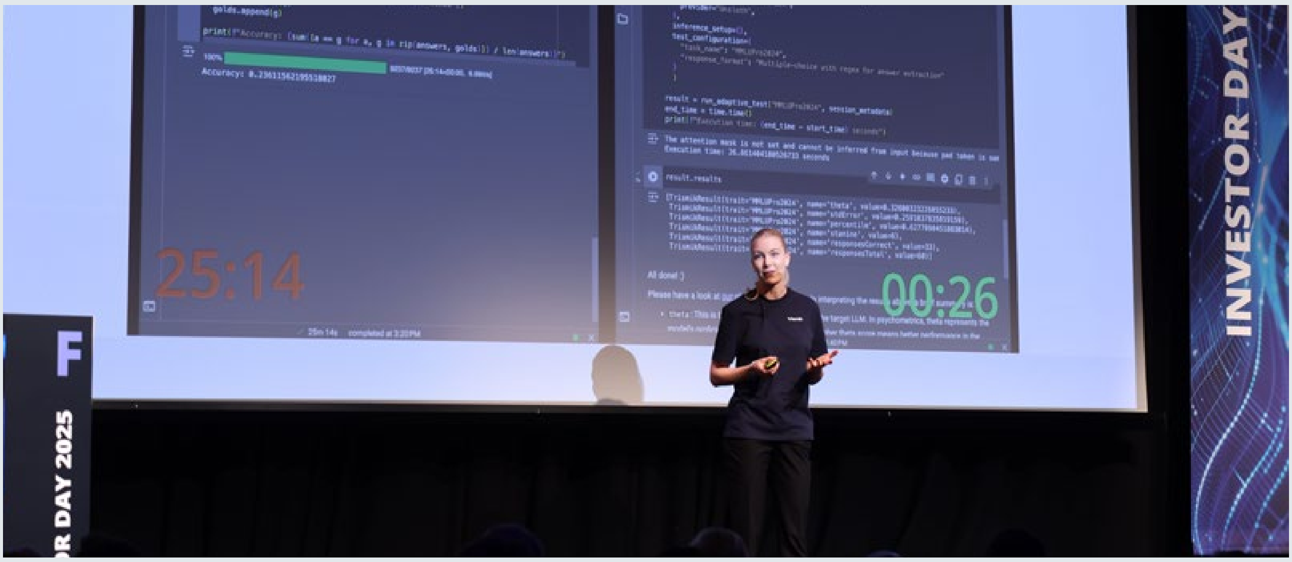
Trismik

Trismik is transforming how we evaluate large language models – helping AI teams test faster, with greater precision and trust.

Spun out from the Department of Theoretical and Applied Linguistics, Trismik's adaptive evaluation platform tackles real-world risks like hallucinations and bias, delivering evaluations in seconds.

With support from Cambridge Enterprise since 2022, this technological solution has grown from a research insight into a venture shaping the future of responsible AI. The team joined the Ideas Incubator in 2023, secured £97,000 from the Technology Investment Fund (TIF) in 2024 and in 2025 graduated from the Founders at the University of Cambridge START 2.0 accelerator programme and signed a licence agreement with Cambridge Enterprise.

Co-founded by CEO Rebekka Mikkola, Chief Scientist Professor Nigel Collier and CTO Marco Basaldella, the team is now scaling with enterprise partners ahead of its 2025 product launch.



Rebekka Mikkola, Co-founder and CEO of Trismik, pitching at the 2025 Founders at the University of Cambridge Investor Day.
Credit: David Johnson

Cambridge University **Press & Assessment**

Cambridge University Press & Assessment publishes thousands of books, hundreds of journals, and through its examinations, issues nearly 12 million grades worldwide each year. The Press & Assessment serves 100 million learners in 170 countries. Every part of the organisation contributes to a shared mission: to advance education and research through high-quality materials, rigorous assessment, and global collaboration.

English

The Press & Assessment's English group continued to lead in English language education and assessment across schools, higher education, and adult learning.

The group continued to work closely with the Organisation for Economic Co-operation and Development (OECD) on the Programme for International Student Assessment (PISA) Foreign Language Assessment (FLA), which will evaluate the language skills of thousands of students in a number of countries. Its work in this area underscores its commitment to international education standards and excellence in language assessment.

It has also expanded its assessment portfolio with new digital products including Cambridge English Qualifications Digital for Young Learners, to offer teachers and learners high levels of flexibility. It also facilitated more access to education for displaced learners by offering free IELTS tests to refugees, helping them to confidently prove their proficiency in English.

The 40th anniversary of English Grammar in Use, a resource used by millions of learners of English worldwide, marked a major milestone.

English Grammar in Use celebrated its 40th anniversary this year.

The Press & Assessment offers education reform across curriculum, assessment, learning and teacher materials

International Education

The International Education group reported record growth, with increased demand for Cambridge programmes and qualifications across all regions. The June 2025 exam series was a success which saw many school leavers secure university placements.

Cambridge has a global community of over 10,000 schools and worked with them this year to produce a landmark 'Future of International Education' report, which set out the vision and strategy for the future of international education.

'Cambridge Conversations' brought together educators and thought leaders to explore how international education can prepare learners for a changing world. In India, Cambridge reached an increasing number of schools, becoming the third largest educational board in the country. Strategic initiatives included curriculum reform in Bhutan, teacher development programmes, and expanded journal access through India's One Nation, One Subscription scheme.

Cambridge is now the market leader in Australia for secondary education, and recorded growth in China, the USA, and Pakistan. The Early Years programme continued to expand, now offering a complete education pathway from ages three to 19.

The Press & Assessment also published its Guide to AI in Education, supporting schools to navigate technological change, while keeping teachers at the centre of learning.

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

UK Education

OCR re-branded to 'Cambridge OCR' this year and delivered a wide range of general and vocational qualifications, including GCSEs, A-levels, Cambridge Technicals, and Cambridge Nationals. Cambridge OCR also launched a new suite of Cambridge Advanced Nationals, including a Level 3 Certificate in Sustainability developed in partnership with WWF-UK, the Ellen MacArthur Foundation, JLR and Siemens.

The Cambridge OCR-led GCSE in Natural History was confirmed by the UK Government, making it one of the first new GCSEs in over a decade. Cambridge OCR also progressed with the first fully digital GCSE in Computer Science, building on two years of digital mocks and working closely with students and teachers.

The group continued to evolve assessment delivery and customer experience, including new services in results analysis and AI-supported lesson planning.

Academic

The Academic group published more than 1,500 new titles this year, including *The Complete Cambridge Jane Austen*, *A Climate of Truth* and *Brain Boost*. Seven Cambridge authors received Nobel Prizes in 2024, reflecting the global impact of Cambridge scholarship.

Cambridge Elements doubled in output to over 2,000 titles, with 6.8 million downloads across 225 series. Cambridge Advance Online offers short professional courses with a 98 percent positive rating and winning gold at the Learning Technologies Awards. The majority of Cambridge journals are now published as open access.

The Press & Assessment continues to advocate for ethical AI use and author rights, giving authors control over how their works are used in AI training.

People and planet

The Press & Assessment recently set out its global vision to build a place where everyone has a sense of belonging, where its diversity increases its impact in education and research. Its goal is to deliver exceptional education, facilitating social mobility and economic prosperity around the world.

A range of policies, guidance and training on diversity and inclusion was recently launched and the training was attended by over 3,000 colleagues. Colleagues celebrated key notable dates together which reflected their diverse backgrounds, including Black History Month, International Women's Day and World Mental Health Day, helping to create safe spaces for colleagues to connect, engage and support awareness. Since 2022, colleagues have volunteered thousands of hours of their time to support projects in their local communities.

Cambridge continues to lead in climate education, publishing research across disciplines and supporting learners to understand and address the climate crisis. The Press & Assessment's environmental sustainability strategy includes reducing carbon emissions, cutting resource use, and shifting from print to digital formats.

The Academic group published more than 1,500 new titles this year

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.
- 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 2024–25 academic year. 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. The Group considers a meaningful measure of underlying recurrent operating performance to be the adjusted operating surplus/(deficit) for the year shown in Appendix 1. The Group defines this as Reported Surplus less impairment losses, 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.

Financial **review** (continued)

Table 1

Summary statement of Comprehensive income	**2024–25 £m**	2023–24 £m	Change %
Income	**2,660**	2,631	1%
Expenditure excluding non-cash USS pension and CPI bond adjustments	**(2,697)**	(2,601)	4%
Non-cash USS pension and CPI-bond adjustments[1]	**14**	357	
(Deficit)/surplus before other gains and losses and share of surplus of joint ventures and associates	**(23)**	387	(106)%
Gain/(loss) on disposal of fixed assets	**3**	(1)	
Gain on investments (net)	**321**	346	
Taxation	**(14)**	(6)	
Surplus for the year	**287**	726	(60)%
Actuarial (loss)/gain	**(8)**	99	
Loss on foreign currency translation	**(4)**	(1)	
Total comprehensive income for the year	**275**	824	(67)%

Adjusted operating deficit for the year	**2024–25 £m**	2023–24 £m
Surplus for the year (as above)	**287**	726
Add back: Impairment losses	**31**	–
Less: Gain on investments (net)	**(321)**	(346)
Less: CPI-linked bond fair value adjustment	**(14)**	(13)
Less: USS pension deficit recovery reflected in staff costs	**–**	(344)
Less: Donation, endowment and capital grant income	**(148)**	(190)
Add: CUEF income (distribution basis)	**157**	152
Adjusted operating deficit for the year [2]	**(8)**	(16)

Adjusted operating deficit by source	**2024–25 £m**	2023–24 £m
Academic University adjusted operating surplus/(deficit) (Table 2)	**87**	(105)
Less: the Press & Assessment contribution to Academic University	**(254)**	(64)
Academic University excluding the Press & Assessment contribution	**(167)**	(169)
Add: the Press & Assessment adjusted operating surplus	**181**	175
Add: CUEF operating deficit	**(5)**	(10)
Add: Trusts and other adjusted operating deficit	**(11)**	(7)
Other consolidation adjustments	**(6)**	(5)
Adjusted operating deficit for the year (as above)	**(8)**	(16)

1 Includes the non-cash credit relating to the USS deficit recovery provision of £nil (2024: £344.3m) related to the 2023 scheme valuation, and the positive impact of an unrealised non-cash credit of £14.4m (2024: £13.2m) related to the fair value adjustment to the CPI-linked bond.

2 See Appendix 1 to the financial statements for further details.

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

Overall income has increased by 1% during the year, with increases in research grants and tuition fees being largely offset by a fall in donations. Operating costs (adjusted for non-cash items such as the revaluation of the CPI-linked bond and the release of the USS deficit recovery provision last year) have increased by 4%, mainly due to increased staff costs in both the Academic University and the Press & Assessment.

Financial **review** (continued)

Total income is 1% higher than last year. Income from tuition fees and education contracts grew 5% and income from research grants and contracts grew 4%. This was, however, offset by a 28% decline in donations and endowments. Income from examination, assessment, and publishing services increased by 2%.

The Group reported a **surplus for the year** of £287.3m (2024: £726.1m). The surplus is £438.8m less than last year primarily reflecting the following:

- Last year the surplus benefited from a non-cash credit of £344.3m on the release of the USS scheme deficit recovery provision following the 2023 scheme valuation. There is no change in provision and so no effect this year.
- A £87.9m (8%) increase in staff costs excluding the impact of the release of the USS deficit recovery provision.
- Other operating expenditure being £20.2m below last year.
- The £29.3m increase in total income.
- Impairment charges of £30.9m including £16.3m to write down a building and a £14.6m adjustment to the carrying value of intangible software assets.
- The net gains on investment property and other investments of £320.7m being £25.7m lower than last year. The significant investment gains included £315.2m on the CUEF (2024: £285.0m), £36.8m from the Cambridge Multi-Asset Fund (CMAF)(2024: £50.5m) and a £4.3m gain on investment properties (2024: £2.4m loss). These were partly offset by a £24.8m loss from spin-out companies (2024: £2.3m gain) and a £11.5m loss on gilt holdings and other investments (2024: £7.3m gain).

Group total comprehensive income for the year is £274.9m (2024: £823.6m), which mainly results from the surplus of £287.3m (2024: £726.1m) and an actuarial loss of £8.4m (2024: gain of £98.6m) relating to the Group's defined benefit pension schemes.

Unrealised gains/losses on investments, the fair value adjustment of the CPI-linked bond, actuarial gains and losses on pension schemes and donations, endowments and capital grant income fluctuate significantly from year to year. This can be seen in the historical trend data shown in Appendix 1.

The University therefore considers that **adjusted operating surplus/(deficit) for the year** provides a more meaningful, reliable measure of underlying recurrent operating performance. **Adjusted operating surplus/(deficit) for the year** is defined as the surplus for the year adjusted to remove the effect of impairment losses, 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 to reflect the CUEF income on a distribution basis.

The Group's adjusted operating deficit of £7.8m (2024: £15.7m deficit) is broadly in line with the last two years (See Appendix 1 to the financial statements).

The Academic University's operating cash flows are supported by the distribution from the CUEF which is funded from long-term capital growth. This subsidises the deficit on core teaching and research activities.

Investment by the Group in its capital infrastructure continued during the year, with £176.8m (2024: £171.6m) invested in fixed assets, software, and investment property over the period. The overall investment programme activity remained broadly on track during the year.

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. Results by segment are shown in Table 2 and further detail is given in Note 19 to the financial statements.

Financial **review** (continued)

Table 2	Academic University 2025 £m	The Press & Assessment 2025 £m	CUEF 2025 £m	Trusts and other 2025 £m	Elimination and adjustments[1] 2025 £m	Total 2025 £m
	2024–25					
Income[2]	**1,895**	**1,062**	**39**	**187**	**(523)**	**2,660**
Expenditure	**(1,692)**	**(871)**	**(44)**	**(182)**	**106**	**(2,683)**
Surplus/(deficit) before other gains and losses and share of surplus of joint ventures and associates	**203**	**191**	**(5)**	**5**	**(417)**	**(23)**
(Loss)/gain on disposal of fixed assets	**(1)**	**4**	**–**	**–**	**–**	**3**
Gain/(loss) on investments (including CUEF gain)	**126**	**24**	**348**	**13**	**(190)**	**321**
Taxation	**–**	**(14)**	**–**	**–**	**–**	**(14)**
Surplus for the year[3]	**328**	**205**	**343**	**18**	**(607)**	**287**
Add back: impairment	**31**					**31**
Less: Gain on investments	**(126)**	**(24)**	**(348)**	**(13)**	**190**	**(321)**
Less: CPI-linked bond fair value adjustment	**(14)**	**–**	**–**	**–**	**–**	**(14)**
Less: USS pension deficit recovery provision	**–**	**–**	**–**	**–**	**–**	**–**
Less: Donation, endowment and capital grant income	**(132)**	**–**	**–**	**(16)**	**–**	**(148)**
Add: CUEF income (distribution basis)	**–**	**–**	**157**	**–**	**–**	**157**
Adjusted operating surplus/(deficit) for the year[2]	**87**	**181**	**152**	**(11)**	**(417)**	**(8)**

	Academic University 2024 £m	The Press & Assessment 2024 £m	CUEF 2024 £m	Trusts and other 2024 £m	Elimination and adjustments[1] 2024 £m	Total 2024 £m
	2023–24					
Income[2]	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)
Gain/(loss) on investments (including CUEF gain)	151	27	312	12	(156)	346
Taxation	–	(6)	–	–	–	(6)
Surplus for the year[3]	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[2]	(105)	175	142	(7)	(221)	(16)

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

[2] Income includes distribution from CUEF as income, which is eliminated at consolidated level.

[3] 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.

Financial review (continued)

Income

The Group's income increased by £29.3m (up 1%) from £2,630.7m to £2,660.0m. The Group has diversified sources of revenue which provide operational stability. Over the last ten years, income has grown at a compound annual growth rate of 4%. The increase this year has mainly come from growth in tuition fees and research grants and contracts income partially offset by a fall in donations and endowments.

- Revenues from examination, assessment and publishing services (comprising the majority of revenues from the Press & Assessment) represent the largest source of Group income, and totalled £1,032.1m (2024: £1,016.8m), 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 £21.7m (4%) this year to £605.0m (2024: £583.3m). The increase has mainly come from higher funding from research councils, which increased by £27.2m (14%) to £215.6m (2024: £188.4m), and from UK government, which increased by £9.4m (15%) to £71.3m (2024: £61.9m).
- Tuition fees and education contracts totalled £436.1m (2024: £415.3m), up 5%, principally due to increases in non-regulated fees.
- Funding body grants from the OfS and Research England fell by £5.3m (3%) to £197.2m (2024: £202.5m). This was mainly due to other revenue grants falling by £3.3m.
- Other income increased £6.4m (3%) to £194.9m (2024: £188.5m).
- Donations and endowments fell by £42.9m (29%) to £107.3m (2024: £150.2m). Donations of fixed assets were £30.8m lower than last year which was unusually high as it included the donation from Dell Corporation of the Dawn AI supercomputer. New endowments fell £10.4m and donations of heritage assets and other restricted donations were both down on last year.
- Investment income increased by £13.3m to £87.4m (2024: £74.1m). Investment income from the CUEF increased 25% and income from short-term and fixed-rate deposits grew 13%.

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 Cambridge 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).

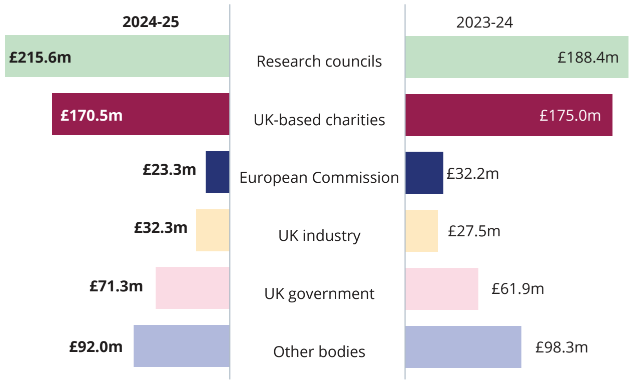
Total examination, assessment and publishing income in the year to 31 July 2025 increased by 2% to £1,032.1m. This includes an adverse effect of exchange rate movements. Growth in constant currency terms was 3%.

Research

The Group's research income increased 4% to £605.0m (2024: £583.3m). There were increases in funding from research councils (+14%), UK government (+15%) and UK industry (+17%), but a 28% decline in funding from the European Commission.

The University also receives recurrent funding from the UK government in the form of grants for teaching, research, and other activities.

Research grants and contracts



Financial **review** (continued)

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.

Donations and endowment income in the year ended 31 July 2025 totalled £107.3m (2024: £150.2m) which was £42.9m below prior year. Last year Dell Corporation donated the Dawn AI supercomputer to the University, and the estimated fair value was recognised as income in donations of fixed assets. Donations of fixed assets are £30.8m lower in 2024/25 and are back at more typical levels. New endowments, which can fluctuate significantly from year to year, were also down £10.4m on last year. Other restricted and unrestricted donations were 4% higher than prior year with a greater proportion this year being unrestricted.

Investment income

The Group earns investment income from its investment in the CUEF and from deposits and money market investments. The Group has reported investment income of £87.4m (2024: £74.1m).

Investment income from the CUEF increased from £31.0m to £38.9m. Other investment assets (excluding CUEF assets) generated income of £48.5m during the year (2024:£43.1m), 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 a bias (where return is not materially impacted) towards banks and similar institutions that do not support expansion of fossil fuel infrastructure.

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 £194.9m (2024: £188.5m) has increased this year, primarily as a result of growth in income from health and hospital authorities, rental income and other activities linked to academic departments.

Expenditure

The Group's headline total expenditure of £2,683.3m (2024: £2,243.7m) was £439.6m higher 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, **expenditure was £2,697.7m (2024: £2,601.2m), an increase of £96.5m (4%) 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 staff costs) of 47%; other operating expenses of 45%; depreciation, amortisation and impairment of 7%; and interest and other finance costs of 1%. The main changes compared to 2024 levels reflect the following:

- Staff costs increased by 8% to £1,258.9m (2024: £1,171.0m). This reflects an increase in staff numbers, with full-time equivalent (FTE) staff increases of approximately 3% across the Group, and pay increases.
- Other operating expenses fell by 2% to £1,224.9m (2024: £1,245.1m), mainly reflecting lower energy and other estates costs in the Academic University.
- Depreciation and amortisation has increased from £151.6m to £162.3m. In addition, a £16.3m impairment charge was recognised to write-off the remaining carrying value of the Cavendish II building which is planned to be demolished, and a £14.6m impairment charge was booked to expense previously capitalised cloud software implementation costs following a reassessment of the most appropriate accounting treatment.
- Excluding the CPI bond fair value adjustment, Interest and other finance costs of £20.7m (2024: £33.5m) mainly comprise Interest payments on bonds of £21.3m (2024: £21.3m) and non-cash net interest income on pension liabilities of £1.3m (2024: net expense of £11.8m).

Financial review (continued)

Cash flow and financing

Operating activities

Over the year there was a net cash inflow from operating activities after taxation of £24.8m. This is a significant improvement on the £58.3m outflow in the prior year. The change is predominantly due to working capital changes. Excluding working capital effects, the net operating cashflow improved by £0.9m to a £5.7m inflow.

Changes in working capital generated a £19.1m cash inflow compared to a £63.1m cash outflow in the prior year. This is mainly due to an increase in research grants received in advance in the Academic university which increased £22.2m in the year (2024: decreased £28.8m).

Investing activities

There was a £152.8m cash outflow on investing activities (2024: £219.3m inflow). This broadly represents the Group's investment in its operational estate and infrastructure and an increase in investments. Payments made to acquire tangible and intangibles fixed assets, net of capital funding received from capital grants and donations, amounted to £118.6m (2024: £92.1m). This mainly consists of the cost of developing buildings in the University's operational estate, the purchase of equipment for the Academic University and the acquisition of software for the Press and Assessment.

The investment income of £87.4m (2024: £74.1m) has helped fund net acquisitions of CUEF and other investments of £127.9m (2024: £205.3m net disposal). In the prior year there was a large shift in the CUEF from investment assets to cash.

Financing activities

Financing activities generated £57.6m (2024: £55.5m) of cash. This is mainly due to the Colleges and other investors in the CUEF investing £53.6m (2024: £1.6m) more into the CUEF than they received out, and the Group receiving £27.9m (2024: £38.3m) of new endowments, partially offset by paying £21.3m (2024: £21.0m) of interest on the University's bond liabilities.

Change in cash

The above resulted in cash and cash equivalents falling £70.4m over the year to £710.1m (2024: £216.5m increase to £780.5m). It should however be noted that this is partly due to less cash being held in the CUEF. The cash the Group holds outside of the CUEF actually fell £41.3m from £479.4m last year to £438.1m at 31 July 2025.

Net assets

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

Table 3	Academic University 2025 £m	The Press & Assessment 2025 £m	CUEF 2025 £m	Trusts and Other 2025 £m	Eliminations and adjustments 2025 £m	Total 2025 £m
Net assets at 31 July 2024	6,288	1,145	4,286	570	(4,298)	7,991
Surplus/(deficit) for the year before tax	328	219	343	18	(607)	301
Taxation	–	(14)	–	–	–	(14)
Surplus for the year (Table 2)	328	205	343	18	(607)	287
Actuarial (loss)/gain	(17)	9	–	–	–	(8)
Loss on currency translation	–	(4)	–	–	–	(4)
Dividend paid to non-controlling interest	–	(3)	–	–	–	(3)
Transfers	8	(254)	(22)	(8)	276	–
Net assets at 31 July 2025	6,607	1,098	4,607	580	(4,629)	8,263

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

The Group's net assets totalled £8,263m at 31 July 2025 (2024: £7,991.0m). Total comprehensive income of £274.9m (2024: £823.6m), comprising the majority of the increase in net assets, is described on page 21.

Financial **review** (continued)

Capital expenditure

During the year, tangible fixed asset additions for the Group were £117.3m (2024: £111.1m), with capital expenditure on Land and Buildings of £82.8m (2024: £52.2m), and further capitalisation of £34.5m (2024: £58.9m) on equipment.

The most significant buildings project during the year was the ongoing extension and upgrade to the Whittle Laboratory at Cambridge West Innovations District. The New Whittle Laboratory is set to open in 2026 and will act as the UK's Integrated Technology Accelerator, bringing together researchers, students, companies and entrepreneurs and creating a community with a shared vision for zero-carbon flight.

During the year, the University adopted a 30-year Estates Masterplan which sets out the long-term vision to develop an operational estate that is more effective, efficient and sustainable. The aim is to support the Universities academic mission by developing an estate that better connects people, fosters collaboration, and enhances staff and student experience while using the estate more intensively and reducing costs.

The Group has also continued to invest in intangible assets during the year, with capitalised expenditure of £44.0m (2024: £50.5m), the majority of which relates to software development in the Press & Assessment.

The Academic University's own operational activities do not generate sufficient cash to fund capital investment and so philanthropy and other sources of funding, including distributions from the Press and Assessment, remain critical.

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 2025, there were 17 College and 5 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.

The long-term investment objective of the CUEF is to achieve returns of 5% in excess of the UK Consumer Prices Index (CPI), net of fees, and to fund distributions to investors of around 4% of the net asset value per year.

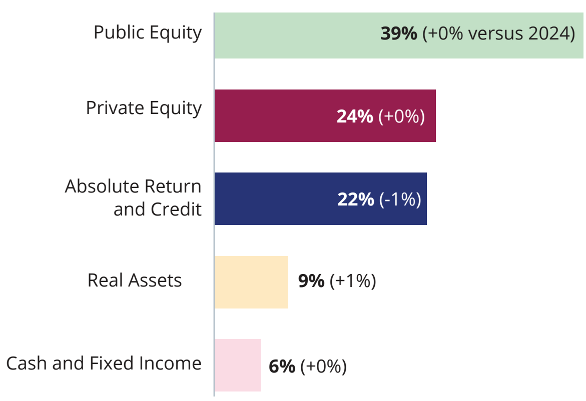
At 31 July 2025, the net asset value of the CUEF was £4,606.8m (2024: £4,285.9m) of which £4,141.9m (2024: £3,906.7m) is attributable to the University Group.

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 56% of the MSCI All-Country World Equity Index ex-fossil fuels (ACWI ex-fossil fuels) since 1st 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-term total return, bearing in mind expected future volatility. The CUEF's asset allocation as at 30 June 2025 is shown below. Over the course of 2025, the allocation to Real Assets has slightly increased compared to 2024, and the allocation to Absolute Return & Credit has decreased.

Asset allocation



Financial **review** (continued)

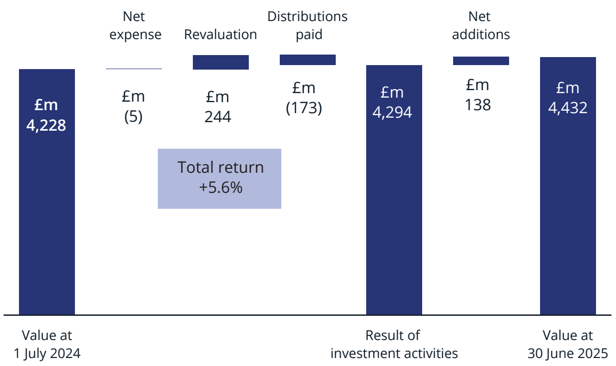
Performance

The CUEF's financial year ends on the 30th June. For this financial year ended 30th June 2025, the CUEF delivered a net return of +5.6% (2024: +9.1%), which is 3.1% less than the Fund's absolute target of CPI +5%. Since 1st July 2020, the date at which UCIM's new investment approach was incepted, the CUEF has delivered an annualised return of +8.2%.

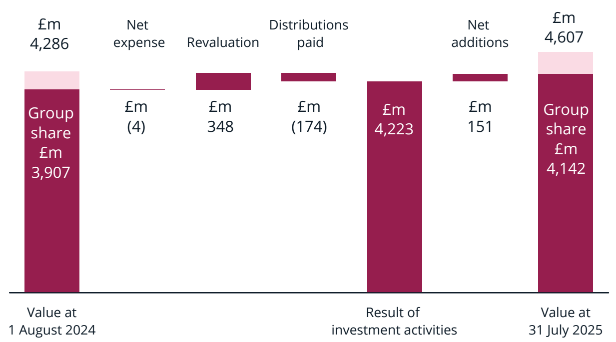
The University's Financial Statements include the CUEF values and gains on investment on a 31 July basis. The overall CUEF movements are shown below.

The University Group's share of the CUEF represents approximately 90% of the total of £4,606.8m at 31 July 2025.

CUEF Fund Performance year to 30 June 2025



CUEF as reported year to 31 July 2025



Sustainability

UCIM has committed to reduce the CUEF's exposure to fossil fuels to below a meaningful level (0.5%) by 2030 and maintains an ambition to achieve net zero greenhouse gas emissions from the CUEF portfolio by 2038.

In March 2025, UCIM became the first ever investor to trade a new form of 'custom basket futures' developed by NASDAQ. This product mimics the exposure of a given index but can be tailored to particular investment objectives, in this case to exclude companies in the conventional energy sector.

Further information about the Cambridge University Endowment Fund is available on the UCIM website: www.ucim.co.uk

Other investments

Other investments held outside the CUEF include the Cambridge Multi-Asset Fund (CMAF), which is intended to provide greater returns than deposits and money market investments, while maintaining high levels of liquidity for funds intended for operational use, over the medium term. At 31 July 2025, the fund had a value of £524.2m (2024: £607.4m) and over the year delivered gains of £36.8m (2024: £50.5m).

Long-term investments also include other securities, joint ventures, 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 Limited. These have a total fair value at 31 July 2025 of £159.9m (2024: £185.1m).

Investments classified as current assets at 31 July 2025 include a holding of UK Treasury Gilts with a market value of £275.7m and £293.0m of money market investments.

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 multi-employer 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.

Financial **review** (continued)

The actuarial valuation of the overall scheme as at 31 March 2023 showed a surplus of £7.4bn and the requirement to make deficit recovery contributions ceased from 1 January 2024. There is therefore no balance sheet liability for future deficit contributions at either 31 July 2024 or 31 July 2025.

The Group has three other significant 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 and the last triennial valuation at 31 July 2024 indicated the scheme was 104% funded.

The surplus at 31 July, as measured under FRS 102 for accounting purposes, has increased to £165.3m (2024: £26.5m), mainly due to a strong return on scheme assets and an increase in the discount rate. No asset has, however, been recognised for this surplus because the University does not have an unconditional right to a refund of a surplus on a winding up and the current minimum funding requirement limits the ability to recover the surplus through a reduction in future contributions.

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 now in a small, combined surplus position of £7.6m (2024: deficit of £3.6m).

Finally, there is a modest net pension asset recognised of £0.2m (2024: £0.9m) in respect of other pension schemes, including the Press & Assessment US schemes which have net assets of £2.3m (2024: £2.7m) 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 total Group pension cost included in staff costs for the year was £151.9m (2024: credit of £195.3m). Excluding the non-cash adjustment to the USS deficit provision, the 2024 Group pension cost was £149.0m.

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 ten and capped at 3% and floored at 0%.

As at 31 July 2025, the Group had outstanding bond liabilities totalling £810.2m (2024: £824.5m).

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 cash as at 31 July 2025 was £118.4m (2024: net debt of £84.2m) (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 £127.9m (2024: £113.5m). 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 £64.7m (2024: net debt of £242.6m)**, taking into account the cumulative fair value remeasurement described above, and the accretion in the value of the CPI-linked bond of £55.2m from inception. The reduction in net debt over the year is due to an increase in the holding of UK Treasury Gilts 2052 which effectively provide a hedge of the University's unsecured 2052 bond liability. (See Appendix 1 to the Financial Statements for the calculation of adjusted net debt).

Financial **review** (continued)

Financial outlook

The UK higher education sector is subject to well-publicised financial challenges. The University of Cambridge is however comparatively resilient. It has well-diversified sources of income and can use surpluses from the Press and Assessment and investment returns to subsidise research and tuition for domestic students, and to invest for the long-term. The University's high academic reputation leaves it well placed to compete for research awards and means student demand is resilient. It also has a strong balance sheet with liquid investments giving it the ability to weather future shocks. The University therefore remains confident of its long-term financial sustainability.

Tuition fee income is expected to grow modestly, with a gradual growth in postgraduate taught students and no diminution in the numbers of international students. The University's intensive teaching model however means that the cost of the delivering the Cambridge experience remains well in excess of tuition fees received for its largest cohort of students – UK undergraduates – despite the modest increase in regulated fees.

Research grants and contracts income is expected to grow, supported by the University's very strong performance in the last Research Excellence Framework and continued strong rankings. The University however operates in a highly competitive market, and the long-term trajectory continues to depend on levels of Government funding for research.

Cambridge University Press & Assessment provides a significant source of funds to the University. The organisation 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.

Over the last five years costs have grown as a result of an increase in the number of professional services staff to address student needs and regulatory requirements, and the general high levels of inflation, particularly in the costs of the estate including energy, maintenance and insurance. This may be compounded by the proposed introduction of a 6% levy on international student fees. The University is investing significantly in its systems and processes which will allow it to operate more efficiently and effectively in future. It has also, in the last year, adopted a long-term capital plan which envisages a material reduction in space usage, but a much more efficient use of that space. This will achieve significant cost and carbon reductions as well as provide an environment better suited to modern teaching and research methods.

The long-term growth objective of the CUEF remains at 5.0% + CPI. There is however significant uncertainty in global financial markets, and this could lead to volatility in the level of investment returns over the short and medium term.

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, and 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 the most significant risk events that might adversely 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. It 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 University 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 by 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 confirmed 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 several 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.

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 30. Furthermore, there are potential additional sources of revenue open to the University, albeit that the University chooses not to maximise surpluses.

Principal risks and **uncertainties** (continued)

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 world-class educational institution.	• Implementation of the actions committed to in the University's Access and Participation Plan agreed with the OfS (2025-26 to 2028-29). • Implementation of the new governance arrangements for undergraduate admissions, and full engagement with Colleges which are responsible for undergraduate admission decisions. • Implementation of the recommendations of the strategic review of admissions and outreach, including a review of undergraduate outreach activity, training and support for staff engaged in outreach work and the operation of the area links scheme. • Continued progress in the Student Support Initiative with a particular focus on postgraduate studentships, including launch of a new Trinity PhD Studentship Scheme. • Continued implementation of the International Student Recruitment Strategy. • Completion of the Teaching Review, adoption of an Education Vision and progress on implementing its recommendations. • Support for innovation in methods of teaching and examination, including through the Cambridge Centre for Teaching and Learning and the Blended Learning Services. • Implementation of the strategic review of student mental health and wellbeing. • Completion of the Disability Review, and initiation of pilot projects to implement its recommendations. • Programme Board for Education Space working with the Reshaping our Estate programme to embed improved educational space in the wider Estates Strategy. • Continued work on the Digital Assessment Programme. • 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.

Principal risks and **uncertainties** (continued)

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 or potential taxation in relation to particular revenue streams.	• 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 on meeting 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. It continues to seek to grow and diversify its revenue streams and sources of surplus. • The Press & Assessment is overseen by a Board with significant commercial expertise and aims to diversify its product offerings, develop new revenue streams and deepen existing capabilities. • The University continues to monitor the key risks associated with its international activities. • Proposed new international activities are subject to functional due diligence. • The University leverages specialist external taxation and legal advice in support of its core internal capabilities.

Principal risks and **uncertainties** (continued)

Risk area	Responses and actions
Increasingly competitive landscape for all forms of **research funding.**	• Capabilities and capacity within the Research Office are being strengthened to enhance support of the full grant lifecycle, including application development, regulatory compliance, financial analysis and post-award management. • The University continues to maintain active communications with key policy makers, funders and collaborators (including Research England, UKRI, DSIT and charity sector funders) alongside efforts to diversify research income, including through philanthropy. • The University has a growing focus expanding its portfolio of industrial research collaborations, including with international partners, with a strategic emphasis on addressing major global challenges.
Failure to deliver change and transformation programmes resulting in administrative systems and processes that are no longer fit for purpose. This could lead to unsustainable costs and failure to meet internal or regulatory requirements.	• The Change and Programme Management Board supports a coherent and coordinated approach to change activities within its remit. • Established governance structures are in place including programme boards, steering committees and assurance plans. • Previous initiatives are reviewed and lessons learned are implemented.
Inability to attract and retain the best academics and to 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's People Strategy sets out the University's commitment to its people over the 2024-2027 period. The strategy revolves around five themes: talent attraction, reward and recognition, talent management, culture and community and organisational effectiveness. • The University continues to put value on pensions and pay as key components of a competitive employment proposition, seeking economy, efficiency and effectiveness in its operations. • The University is also focusing on wider benefits to staff including the provision of transport, childcare, 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, family-friendly and inclusive 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 taken steps to deliver enhanced security controls across the University and to improve resilience. This remains a challenge in more devolved areas of control and in an environment of increased and changing threats. • The University has an ongoing programme of cyber risk awareness training and engagement for all staff.

Principal risks and **uncertainties** (continued)

Risk area	Responses and actions
Inadequate long-term **maintenance and development of the academic and non-academic estate** and supporting infrastructure.	• Council approved the Strategic Estate Framework which outlines a long-term vision and strategic direction for a University of Cambridge estate that is more effective, efficient and environmentally sustainable and better connects people. • Council also approved the Strategic Estate Capital Plan which sets out a long-term view of how the University will invest in the estate and includes budgets for the principal programmes. This plan will be reviewed and updated annually. • 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.
Failure to **develop and protect a fit-for-purpose IT infrastructure** due to the devolved nature of the organisation. Fragmented IT infrastructure and lack of standardisation could lead to inefficiencies and risks of disruption to operations.	• The University has appointed a new Chief Information Officer, who will work with IT colleagues across the University to modernise core business systems and develop essential IT services that support teaching, learning and research. • Initiatives are ongoing to establish minimum standards across the University and to roll out central IT services to reduce fragmentation.
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 taken proactive steps to strengthen oversight and governance of health and safety risks, through the introduction of a Safety Management Hub and systems to manage travel-related risks. These steps will help provide greater visibility of, and assurance over, health and safety matters across the institution.

Principal risks and **uncertainties** (continued)

Concluding remarks

The financial year 2024/25 has demonstrated again the value of the University of Cambridge's well-diversified sources of revenue and strong balance sheet. Another good performance by Cambridge University Press & Assessment has helped offset the continuing mismatch between the revenues the University receives for teaching and research and the costs of delivering it, as well as providing funds for investment.

It is an inherent feature of the University's operating model that it spends significantly more on teaching UK students than it receives in tuition fees given the intensive teaching approach. The University also carries out very large amounts of high-quality research and, in almost all circumstances, research funders pay less than the full cost of provision.

This is cross subsidised from distributions from the endowment fund, returns from other financial assets and from the surplus generated by Press & Assessment, as well as from teaching international students. While the University's funding model relies much less on international student fees than other UK research intensive universities, it is still exposed to high levels of general UK inflation and to the significant reduction in real terms of UK regulated fees and government grants. Overall, over the last three financial years, costs of providing teaching and research have grown significantly more than revenues.

To address this, the University is continuing to seek revenue growth together with modest short-term cost savings. It also is making significant investments in its systems and processes to allow it to operate more efficiently, and in its buildings to move from a large inefficient estate to a smaller but more cost and energy efficient one better suited to modern teaching and research. Significant steps have been taken on both of these key initiatives within the last 12 months with the start of the new finance system build using KPMG as a systems integrator partner and with the adoption of the first 30 year Estates Masterplan. Over time these investments should lead to both materially reduced costs and a better operating environment for our academic and professional services staff.

Overall, while the University is not immune to the financial pressures affecting the UK higher education system, it remains financially strong with the capacity to make the necessary investments to continue delivering on its mission of contributing to society through the pursuit of education, learning and research at the highest international level of excellence.

Anthony Odgers
CFO

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.

   The University's Statutes and Ordinances describe the Regent House as the governing body of the University. The Regent House, 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 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.

Corporate **Governance** (continued)

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, 5 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 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 2025

The Chancellor:
Lord Sainsbury of Turville (until 24 June 2025)
Lord Smith of Finsbury (from 23 July 2025)

The Vice-Chancellor:
Professor Deborah Prentice

Heads of Colleges:
Professor Dame Madeleine Atkins
(until 31 December 2024)
Mrs Heather Hancock
Sally Morgan, Baroness Morgan of Huyton
Simon McDonald, Lord McDonald of Salford
(from 1 January 2025)
Professor Alan Short

Professors and Readers:
Professor Jason Scott-Warren
Professor Anthony Davenport (until 31 December 2024)
Professor Richard Mortier
Professor Sharon Peacock (until 31 December 2024)
Professor Daniela De Angelis (from 1 January 2025)
Professor Garth Wells (from 1 January 2025)

Other Members of the Regent House:
Dr Zoe Adams (until 31 December 2024)
Dr Mike Sewell (until 31 December 2024)
Dr Pieter van Houten
Ms Milly Bodfish
Mr John Dix
Dr Louise Joy
Mr Scott Mandelbrote
Dr Ella McPherson
Dr Ewa Marek (from 1 January 2025)
Dr William Astle (from 1 January 2025)
Dr Mezna Qato (from 10 January 2025)

Student members:
Ms Sarah Anderson (until 20 June 2025)
Mr Sumouli Bhattacharjee (until 6 July 2025)
Mr Alex Myall (until 30 June 2025)
Mr Matthew Copeman (from 7 July 2025)
Mr Augustin Denis (from 7 July 2025)
Mr Darragh O'Reilly (from 1 July 2025)

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

The Chancellor, external members, student members, Professor Madeleine Atkins, Mrs Heather Hancock, Baroness Sally Morgan, Lord Simon McDonald, Professor Alan Short, Dr Zoe Adams, Dr Mike Sewell, Dr Louise Joy, Mr Scott Mandelbrote, Dr Mezna Qato, Mr John Dix, and Professor Anthony Davenport 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 2025 and up to the date of approval for the financial statements. The framework is in accordance with OfS guidance.

Statement of **Internal Control** (continued)

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 2024-25 financial year, or up to the date of approval of the financial statements.

Statement of responsibilities **of the Council**

Under the University's Statutes, 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 ("the University")

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")'s Group financial statements and the University's 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 2025 and of the Group's and 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 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 Annual Report and Financial Statements (the "Annual Report"), which comprise: the Consolidated and University statement of financial position as at 31 July 2025; the Consolidated and University statement of comprehensive income; the Consolidated and University statement of changes in reserves; the Consolidated statement 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 University or its controlled undertakings in the period under audit.

Independent auditors' report (continued)

to the Council of the University of Cambridge ("the University")

Our audit approach

Overview

Audit scope

- The scope of our work covered the financially significant components, comprising 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 95% of the Group's income and approximately 95% of the Group's surplus for the year.

Key audit matters

- Valuation of complex pooled investment vehicle (PIV) assets (Group and University)
- Valuation of investment properties (Group and University)
- Valuation of pension schemes liabilities (Group and University)

Materiality

- Overall Group materiality: £26.7 million (2024: £26.3 million) based on 1% of total income.
- Overall University materiality: £24.6 million (2024: £24.6 million) based on 1% of total income.
- Performance materiality: £20.0 million (2024: £19.7 million) (group) and £18.4 million (2024: £18.4 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.

Rights and obligations relating to research debtors and donations income (Group and University), which was a key audit matter last year, is no longer included because of there being minimal areas of judgement within the current year research debtor and donation balances, and these are areas with well established processes and controls. Otherwise, the key audit matters below are consistent with last year.

Independent auditors' report (continued)

to the Council of the University of Cambridge ("the University")

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 4(b)(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 CUEF portfolio consisted of approximately £3,747.4 million (2024: £3,299.6 million) pooled investment vehicles ('PIVs') as at 31 July. A large proportion of these PIVs 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 in addition to complex valuation techniques required by the investment managers in determining the value of 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 2025 to the Group's financial year-end of 31 July 2025. In some cases, funds have a greater lagged period from 31 March 2025. Consistent with the prior year, adjustments to the March/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 the latest confirmed valuation to July 2025 was an increase of £164.5 million, of which £28.4 million related to the indexation adjustments.	We understood and evaluated the design and operating effectiveness of controls addressing the valuation of PIVs in the CUEF portfolio. This included testing management's financial statement lookback control, which compares unaudited confirmations from investment managers to the fund's audited financial statements, aiming to identify significant changes in the fund valuation and determine whether this could impact the accuracy of the valuation used by management at the year end. Our procedures involved obtaining external confirmations directly from the investment managers of the funds to provide independent evidence over management's valuation of the assets. We tested the accuracy of a sample of valuations provided by investment managers for complex PIVs (being those with lagged valuation and/or high exposure to level 3 investments), focusing on those with individual valuations exceeding our performance materiality. To assess the reliability and appropriateness of the values provided, we obtained and inspected a range of supporting evidence, including control reports, bridging letters, recent transactions and audited fund financial statements. We also obtained a summary of the governance and attestation procedures performed by management and assessed whether there was any indication of impairment or ineffective controls in the information obtained and reviewed by management. For funds with no other test performed, as noted above, we obtained the individual funds detailed attestations and reviewed for any indication of impairment. In relation to the roll-forward performed by management from the most recent quarterly valuations to the reporting date 31 July, we have assessed the appropriateness of management's approach and for all complex PIVs we agreed adjustments made for cash flow movements to the external confirmation from the custodian. For all funds, we assessed the appropriateness of market indices used, considering the underlying characteristics of the specific funds, such as geographic location, industry, and similar markets. Evaluating the appropriateness of any changes from prior period, and where there were no changes consider if this is reasonable. In addition, where movements in an index exceeded management's set threshold, we reperformed the adjustment to ensure these were appropriate. To verify the completeness of management's impairment assessment for the PIVs at the reporting date, we reviewed minutes from internal client meetings where potential impairments were discussed and searched for any contradictory evidence. From our testing performed we are comfortable that the valuation of the pooled investment vehicles is appropriate.

Independent auditors' report (continued)

to the Council of the University of Cambridge ("the University")

Key audit matter	How our audit addressed the key audit matter
Valuation of investment properties (Group and University) Refer to notes 3(k) (Statement of significant accounting policies - Investment properties), 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 comprise investment property valued at £719.0 million (2024: £712.9 million). The Group and University's investment property portfolio comprises assets held directly by the Academic University as well as assets held within the CUEF, both directly and through the CUEF's investment in special purpose vehicles. 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 valued at £240.2 million (2024: £249.2 million) 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 fair value. There are a considerable number of judgemental assumptions applied across the various property valuations including discount rate, rental growth, operating costs and yields. A valuation of this nature carries a material risk of error as it involves several subjective assumptions. 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.

Independent auditors' report (continued)

to the Council of the University of Cambridge ("the University")

Key audit matter	How our audit addressed the key audit matter
Valuation of pension schemes liabilities (Group and University) Refer to notes 3(f) (Statement of significant accounting policies - Employee benefits), 4(a)(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 £1,062.9 million (2024: £1,151.7 million) offset by the assets in the respective schemes. The main pension schemes included in the Group and University comprise of the Cambridge University Assistants' Contributory Pension Scheme (CPS). and the Cambridge University Press UK defined benefit 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, as well as reviewing the reasonableness of the DBO figures. This included assessing the reasonableness of management's key assumptions 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 the schemes to be within an appropriate range.

Independent auditors' report (continued)

to the Council of the University of Cambridge ("the University")

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. To scope our work for both the Group and the University audit, 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

Our audit procedures in respect of climate change included enquiries of management to understand the process management has adopted to assess the extent of the potential impact of climate risk on the Group's financial statements and ensuring there was adequate support for the disclosures made within page 4-5 of the financial statements. We have read the group's disclosure of climate related information in the front half of the annual report and considered consistency with the financial statements and our audit knowledge.

As disclosed on pages 32-36 of the annual report the group has not specifically identified climate change as a principal risk. Management considers that the impact of climate change does not give rise to a material financial statement impact.

We have performed our own evaluation on the potential impacts of climate change, including assessing the estimates made regarding the useful economic lives of property, plant and equipment. We determined that no heightened audit risk arose in the year in respect of climate change.

Management have made commitments from an estates perspective to reduce energy-related emissions from its operational estate to absolute zero by 2048. Management has not yet developed a pathway to deliver this commitment and will only be able to model the impact once the pathway is fully 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	£26.7 million (2024: £26.3 million).	£24.6 million (2024: £24.6 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 £21.0 million and £24.5 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,

Independent auditors' report (continued)

to the Council of the University of Cambridge ("the University")

classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2024: 75%) of overall materiality, amounting to £20.0 million (2024: £19.7 million) for the Group financial statements and £18.4 million (2024: £18.4 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) (2024: £1.3 million) and £1.2 million (University audit) (2024: £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 which run to 31 July 2030, and how these have been applied to a going concern assessment period. 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's and the University's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors 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.

Independent auditors' report (continued)

to the Council of the University of Cambridge ("the University")

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 43, 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's 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 intend to liquidate the Group or 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 legislation, 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 results and management bias in financial reporting, specifically relating to accounting estimates for complex pooled investment vehicles. 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, particularly in relation to the valuation of complex PIV's;
- Identifying and testing journal entries focusing on unusual account combinations;
- Incorporation of an element of unpredictability around the nature, timing or extent of our testing; and
- Evaluating management's controls designed to prevent and detect irregularities.

Independent auditors' report (continued)

to the Council of the University of Cambridge ("the University")

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 FRC's website at: 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 exceptions 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 2025.

Andy Grimbly (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cambridge
24 November 2025

Consolidated and University statement of comprehensive income

for the year ended 31 July 2025

	Note	Group Year ended 31 July 2025 £m	Group Year ended 31 July 2024 £m	University Year ended 31 July 2025 £m	University Year ended 31 July 2024 (restated*) £m
Income					
Tuition fees and education contracts	5	**436.1**	415.3	**412.3**	394.9
Funding body grants	6	**197.2**	202.5	**197.2**	202.5
Research grants and contracts	7	**605.0**	583.3	**593.0**	568.8
Examination, assessment and publishing services	8	**1,032.1**	1,016.8	**881.3**	831.6
Donations and endowments	9	**107.3**	150.2	**99.6**	150.4
Other income	11	**194.9**	188.5	**194.4**	171.0
Investment income	12	**87.4**	74.1	**78.8**	67.0
Total income	13	**2,660.0**	2,630.7	**2,456.6**	2,386.2
Expenditure					
Staff costs					
– Excluding impact of change in USS deficit recovery contributions		**1,258.9**	1,171.0	**1,121.0**	1,040.5
– Change in USS pension deficit recovery provision contributions	14, 30	**–**	(344.3)	**–**	(330.1)
	14	**1,258.9**	826.7	**1,121.0**	710.4
Other operating expenditure	15	**1,224.9**	1,245.1	**1,135.5**	1,122.0
Amortisation	15, 20	**36.7**	36.7	**33.3**	33.7
Depreciation	15, 21	**125.6**	114.9	**122.9**	112.6
Impairment losses	15,20,21	**30.9**	–	**30.9**	–
Interest and other finance costs	15, 17	**6.3**	20.3	**6.0**	20.0
Total expenditure		**2,683.3**	2,243.7	**2,449.6**	1,998.7
(Deficit) / surplus before other gains and losses and share of surplus in joint ventures and associates		**(23.3)**	387.0	**7.0**	387.5
Share of operating loss in joint ventures and associates		**(0.4)**	(0.2)	**–**	–
Gain/(loss) on disposal of fixed assets		**3.8**	(0.7)	**(0.6)**	(0.8)
Gain on other investments	23a	**316.4**	348.8	**273.6**	307.4
Gain/(loss) on investment property	23b	**4.3**	(2.4)	**4.3**	(2.4)
Surplus for the year before taxation		**300.8**	732.5	**284.3**	691.7
Taxation	18	**(13.5)**	(6.4)	**(10.1)**	(2.2)
Surplus for the year		**287.3**	726.1	**274.2**	689.5
Other comprehensive (expense) / income:					
Actuarial (loss)/gain	30, 31	**(8.4)**	98.6	**(8.4)**	98.6
(Loss)/gain arising on foreign currency translation		**(4.0)**	(1.1)	**(0.3)**	(1.6)
Total comprehensive income for the year		**274.9**	823.6	**265.5**	786.5
Represented by:					
Endowment comprehensive income for the year		**141.9**	153.0	**128.3**	139.9
Restricted comprehensive income for the year		**14.0**	37.3	**12.3**	36.6
Unrestricted comprehensive income for the year		**119.0**	633.3	**124.9**	610.0
		274.9	823.6	**265.5**	786.5

*The 2024 amounts for the University have been restated as set out in Note 11

Group Total comprehensive income includes £0.5m (2024: £1.4m) attributable to non-controlling interests.

Consolidated and University statement of financial position

as at 31 July 2025

	Note	**Group 31 July 2025 £m**	Group 31 July 2024 £m	**University 31 July 2025 £m**	University 31 July 2024 £m
Non-current assets					
Intangible assets and goodwill	20	**125.8**	133.5	**115.4**	122.8
Tangible assets	21	**2,729.8**	2,758.7	**2,724.5**	2,750.0
Heritage assets	22	**111.5**	109.0	**111.5**	109.0
Investments – other investments	23a	**4,910.8**	4,771.2	**4,249.4**	4,128.3
Investments – investment property	23b	**472.7**	477.1	**472.7**	477.1
Investments in joint ventures	23a	**6.1**	6.8	**–**	–
Pension assets	30	**14.2**	28.9	**14.2**	28.9
		8,370.9	8,285.2	**7,687.7**	7,616.1
Current assets					
Stock and work in progress	24	**46.8**	45.7	**42.0**	40.5
Trade and other receivables	25	**527.9**	506.5	**584.1**	584.3
Investments	26	**1,033.6**	718.3	**1,706.4**	1,363.4
Cash and cash equivalents	27	**438.1**	479.4	**331.6**	373.4
		2,046.4	1,749.9	**2,664.1**	2,361.6
Creditors: amounts falling due within one year	28	**(1,215.4)**	(1,076.6)	**(1,920.1)**	(1,786.9)
Net current assets		**831.0**	673.3	**744.0**	574.7
Total assets less current liabilities		**9,201.9**	8,958.5	**8,431.7**	8,190.8
Creditors: amounts falling due after more than one year	29	**(919.7)**	(940.2)	**(894.7)**	(910.7)
Pension liabilities	30	**(6.4)**	(13.9)	**(4.3)**	(12.0)
Other retirement benefits liabilities	31	**(12.5)**	(13.4)	**(12.5)**	(13.4)
Total net assets		**8,263.3**	7,991.0	**7,520.2**	7,254.7
Restricted reserves					
Income and expenditure reserve – endowment	32	**2,764.0**	2,622.1	**2,387.3**	2,259.0
Income and expenditure reserve – restricted	33	**305.5**	291.5	**302.7**	290.4
Unrestricted reserves					
Income and expenditure reserve – unrestricted		**5,193.8**	5,077.4	**4,830.2**	4,705.3
Total reserves		**8,263.3**	7,991.0	**7,520.2**	7,254.7

Group Unrestricted reserves includes £4.5m (2023-24: £6.7m) attributable to non-controlling interests.

The financial statements on pages 53 to 119 were approved by the Council on 24 November 2025 and signed on its behalf by:

Professor Deborah Prentice
Vice-Chancellor

Gaenor Bagley
External Member of Council

Anthony Odgers
Chief Financial Officer

Consolidated and University statement of changes in reserves

for the year ended 31 July 2025

	Endowment £m	Restricted £m	Unrestricted £m	Total £m
Group				
Balance at 1 August 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**
Surplus for the year ended 31 July 2025	**141.9**	**14.0**	**131.4**	**287.3**
Other comprehensive expense	**–**	**–**	**(12.4)**	**(12.4)**
Total comprehensive income for the year ended 31 July 2025	**141.9**	**14.0**	**119.0**	**274.9**
Dividend paid to non-controlling interest	**–**	**–**	**(2.6)**	**(2.6)**
Balance at 31 July 2025	**2,764.0**	**305.5**	**5,193.8**	**8,263.3**
University				
Balance at 1 August 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**
Surplus for the year ended 31 July 2025	**128.3**	**12.3**	**133.6**	**274.2**
Other comprehensive expense	**–**	**–**	**(8.7)**	**(8.7)**
Total comprehensive income for the year ended 31 July 2025	**128.3**	**12.3**	**124.9**	**265.5**
Balance at 31 July 2025	**2,387.3**	**302.7**	**4,830.2**	**7,520.2**

Consolidated statement of cash flows

for the year ended 31 July 2025

	Note	**Year ended 31 July 2025 £m**	Year ended 31 July 2024 £m
Cash flow from operating activities			
Surplus for the year before taxation		**300.8**	732.5
Adjustments for non-cash items:			
Depreciation and impairment of tangible assets	15, 21	**141.9**	114.9
Amortisation and impairment of intangible assets	15, 20	**51.3**	36.7
Gain on investments		**(320.7)**	(346.4)
Revision of USS deficit recovery provision recognised in the year	14, 30	**–**	(344.3)
Pension costs less contributions payable	30	**(1.8)**	(1.0)
Other retirement benefit costs less contributions payable	31	**(0.1)**	(0.1)
Receipt of donated assets	22	**(2.0)**	(26.5)
Currency adjustments		**(4.2)**	1.1
Adjustments for working capital changes:			
(Increase)/Decrease in stock and work in progress	24	**(1.1)**	7.8
Increase in trade and other receivables		**(15.1)**	(28.5)
Increase/(Decrease) in creditors		**35.3**	(42.4)
Adjustments for investing or financing activities:			
Investment income	12	**(87.4)**	(74.1)
Interest payable	17	**21.4**	21.2
Credit for revaluation of index linked bonds	17	**(14.4)**	(13.2)
New endowments	9	**(27.9)**	(38.3)
Capital grants and donations		**(42.9)**	(52.2)
Share of joint venture and associates net loss		**0.4**	0.2
(Gain)/loss on the sale of fixed assets		**(3.8)**	0.7
Net cash inflow/(outflow) from operating activities before taxation		**29.7**	(51.9)
Taxation	18	**(4.9)**	(6.4)
Net cash inflow/(outflow) from operating activities after taxation		**24.8**	(58.3)
Cash flows from investing activities			
Capital grants and donations		**42.9**	52.2
Proceeds from sales of fixed assets		**8.6**	0.2
Proceeds from investment property sales: North West Cambridge		**6.4**	38.5
Proceeds from sales of other non-current asset investments		**312.9**	17.6
Net (acquisitions)/disposal of other current asset investments		**(241.5)**	146.6
Investment income	12	**87.4**	74.1
Payments made to acquire intangible assets	20	**(44.0)**	(50.5)
Payments made to acquire tangible fixed assets		**(117.5)**	(93.8)
Payments made to acquire heritage assets		**(0.5)**	(0.7)
(Acquisition)/disposal of CUEF investment assets		**(2.3)**	213.2
Payments made to acquire other non-current asset investments		**(197.0)**	(172.1)
Payments made re North West Cambridge development costs		**(8.2)**	(6.0)
Net cash (outflow)/inflow from investing activities		**(152.8)**	219.3
Cash flows from financing activities			
New endowments	9	**27.9**	38.3
Interest paid		**(21.3)**	(21.0)
Dividend payment to non-controlling interest	34	**(2.6)**	(0.3)
Drawdown of secured CUEF borrowings		**–**	36.9
Colleges and Associated bodies – CUEF subscriptions		**71.2**	19.5
Colleges and Associated bodies – CUEF redemptions		**(1.3)**	(3.6)
Colleges and Associated bodies – CUEF distributions		**(16.3)**	(14.3)
Net cash inflow from financing activities		**57.6**	55.5
(Reduction)/increase in cash and cash equivalents in the year		**(70.4)**	216.5
Cash and cash equivalents at beginning of the year		**780.5**	564.0
Cash and cash equivalents at end of the year		**710.1**	780.5
Represented by:			
Cash and cash equivalents	27	**438.1**	479.4
Cash and cash equivalents – CUEF	23	**272.0**	301.1
		710.1	780.5

Notes to the financial statements

for the year ended 31 July 2025

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.

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 in Note 4.

(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 2027 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 2025

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 and the University has no financial interest in the Students' Union or control over its policy decisions.

(d) Foreign currencies

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

Foreign currency transactions are recorded in the local currency of the entity at the rate of exchange on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at year-end rates and translation differences are included in income or expenditure. Non-monetary assets are translated at the historic rate at the date of acquisition and are not subsequently revalued.

Where foreign branches and subsidiary undertakings accounting in foreign currencies operate as separate businesses, their results are translated into sterling at the average exchange rate for the year, and all their assets and liabilities are translated into sterling at year- end rates. Exchange differences arising on the translation of foreign operations are recognised in other comprehensive income.

(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.

Notes to the financial statements
for the year ended 31 July 2025

3. Statement of significant accounting policies continued

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 to 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.

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 as costs are incurred for which the University has a right to reimbursement.

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:

- **Permanent unrestricted**
  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.
- **Permanent restricted**
  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.
- **Expendable restricted**
  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.

Notes to the financial statements

for the year ended 31 July 2025

3. Statement of significant accounting policies continued

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 only 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.

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.

Notes to the financial statements

for the year ended 31 July 2025

3. Statement of significant accounting policies continued

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.

(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 expenditure 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.

Notes to the financial statements

for the year ended 31 July 2025

3. Statement of significant accounting policies continued

(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.

(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.

Notes to the financial statements

for the year ended 31 July 2025

3. Statement of significant accounting policies continued

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.

(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

The University holds long-dated UK gilts which are classified as basic financial instruments under FRS 102. The UK gilts are managed, evaluated and reported on a fair value basis in accordance with a documented strategy. Management has therefore taken the option available under FRS 102 to designate the UK gilts as held at fair value through profit or loss. These assets are carried at fair value and changes in fair value are recognised in the statement of comprehensive income.

Other 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.

Notes to the financial statements

for the year ended 31 July 2025

3. Statement of significant accounting policies continued

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.

(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

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.

Notes to the financial statements

for the year ended 31 July 2025

3. Statement of significant accounting policies continued

(r) Climate change

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 (see Environmental sustainability section). The University has undertaken work to better understand the costs of decarbonising buildings in the operational estate and allocated funding to support decarbonisation of the estate. However, the total cost of achieving the zero-carbon target is neither fully understood nor currently funded under the existing capital plan.

The impact of climate change is considered when preparing 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.

(s) New accounting standards issued but not yet effective

In March 2024, the Financial Reporting Council (FRC) issued amendments to FRS 102 (the Financial Reporting Standard applicable in the UK and Republic of Ireland). These amendments will be effective for accounting periods beginning on or after 1 January 2026. The amendments include changes, particularly in relation to revenue recognition and lease accounting.

A new Statement of Recommended Practice for Further & Higher Education (FEHE SORP) was published in November 2025.

The University is assessing the impact of these amendments and intends to apply them for the financial year commencing 1 August 2026.

4. Critical accounting judgements, estimates, and assumptions

The Group prepares its consolidated financial statements in accordance with FRS 102, as issued by the Financial Reporting Council, the application of which often requires judgements to be made by management when formulating the consolidated financial position and results. Under FRS 102, management is required to adopt those accounting policies most appropriate to the circumstances for the purpose of presenting fairly the Group's financial position, financial performance and cash flows.

In determining and applying accounting policies, judgement is often required in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the reported results or net asset position of the Group. It may later be determined that a different choice would have been more appropriate. Although these estimates are based on management's best knowledge, actual results may ultimately differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Management have made a number of judgements and estimates in applying the Group's accounting policies which are discussed below.

(a) Critical judgements in applying the Group's accounting policies

i. Recognition of research income

Management has applied judgement in determining when performance conditions are met and therefore when revenue is recognised. For funding from Research Councils and the European Commission, income is recognised in line with expenditure as this establishes the right to receive funding. Similarly, income from charities and industry is generally recognised on a reimbursement basis as costs are incurred creating the right to reimbursement.

ii. Recognition of donations

Management assesses whether donations, new endowments and other gifts agreements contain performance conditions. Income is recognised when performance conditions are met. Income from agreements with no performance conditions is recognised when the University is entitled to the funds.

iii. Consolidation of the CUEF

It is management's judgement that 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, meets the criteria of FRS 102 sections 9.4 and 9.5 and so controls the CUEF. The CUEF is therefore consolidated as described in Note 3(k).

(b) Key accounting estimates and assumptions

i. Investment valuations (Note 12)

The CUEF includes types of investments where a clearly observable basis for valuation is not always available.

Investments which are not listed or which are not frequently traded are stated at the Valuation

Notes to the financial statements

for the year ended 31 July 2025

4. Critical accounting judgements, estimates, and assumptions continued

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 selection of these indices require judgement. The indices chosen to be used for this exercise reflected the underlying characteristics of these specific funds (that is, geographic location, industry of the fund, similar markets). The valuation approach was approved by the UCIM's valuation Committee. A 10% change in the movement in valuation between 30 June 2025 and 31 July 2025 in assets where indices have been used would result in an increase/decrease of £2.8m 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. These 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.

Property yields, estimated rental value (ERVs) and capital value rates per square foot are key estimates applied in the investment property valuations. A 10% change in the valuation of the investment property portfolio would result in an increase/decrease of £47.3m (2024: £47.7m) in comprehensive income.

iii. Defined benefit pension schemes

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. Key assumptions and sensitivities are set out in Note 36.

The defined benefit component of the Cambridge University Assistants' Contributory Pension Scheme (CPS) is in a surplus position when valued in accordance with FRS 102 at the balance sheet date.

The Group has assessed that it does not have an unconditional right to a refund of any surplus but, as the scheme is open to new members and accrual for existing members, it is potentially able to recover the surplus through a reduction in future contributions. The economic benefit available is, however, limited by any minimum funding requirement for contributions. To estimate the minimum funding requirement, the University has assumed that employer contributions over the life of the scheme will remain at the existing agreed rate. The accounting surplus at 31 July 2025 was £165.3m but, as a result of the minimum funding requirement, no asset has been recognised on the balance sheet.

iv. CPI-linked bond valuation

The CPI-linked bond must be remeasured to fair value at each balance sheet date. Given the market for the bond is not liquid, the price of the bond must be estimated. Management estimate this price making use of valuations provided by third-party valuers. Note 41 provides more information on the methodology together with sensitivity analysis.

Notes to the financial statements
for the year ended 31 July 2025

5. Tuition fees and education contracts

	Group 2025 £m	Group 2024 £m	University 2025 £m	University 2024 £m
Full-time home students	**124.9**	119.4	**124.9**	119.4
Full-time international students	**233.2**	220.8	**233.2**	220.8
Part-time students	**32.0**	28.8	**32.0**	28.8
Other course fees	**28.4**	25.1	**4.6**	4.7
Research Training support grants	**17.6**	21.2	**17.6**	21.2
	436.1	415.3	**412.3**	394.9

6. Funding body grants

	Group 2025 £m	Group 2024 £m	University 2025 £m	University 2024 £m
Office for Students (OfS):				
Recurrent grant: teaching	**21.1**	20.8	**21.1**	20.8
Recurrent grant: research	**138.8**	140.1	**138.8**	140.1
Recurrent grant: museum funding	**3.0**	2.1	**3.0**	2.1
Other revenue grants	**13.5**	16.8	**13.5**	16.8
Total revenue grants	**176.4**	179.8	**176.4**	179.8
Capital grants recognised in the year	**20.8**	22.7	**20.8**	22.7
	197.2	202.5	**197.2**	202.5

7. Research grants and contracts

	Group 2025 £m	Group 2024 £m	University 2025 £m	University 2024 £m
Research councils	**215.6**	188.4	**215.6**	188.4
UK-based charities	**170.5**	175.0	**170.4**	175.0
European Commission	**23.3**	32.2	**23.3**	32.2
UK industry	**32.3**	27.5	**31.6**	26.9
UK government	**71.3**	61.9	**70.4**	60.8
Other bodies	**92.0**	98.3	**81.7**	85.5
	605.0	583.3	**593.0**	568.8

Total research grants and contracts income includes grants of £2.7m (2024: £4.9m) towards the cost of buildings and £17.4m (2024: £11.8m) for the purchase of equipment.

Notes to the financial statements
for the year ended 31 July 2025

8. Examination, assessment, and publishing services

	Group 2025 £m	Group 2024 £m	University 2025 £m	University 2024 £m
Examination fees	**573.4**	549.6	**495.6**	470.4
Publishing	**396.1**	384.7	**358.6**	336.3
Other examination and assessment services	**62.6**	82.5	**27.1**	24.9
	1,032.1	1,016.8	**881.3**	831.6

9. Donations and endowments

	Group 2025 £m	Group 2024 £m	University 2025 £m	University 2024 £m
New endowments	**27.9**	38.3	**27.9**	38.3
Donations of, and for the purchase of, fixed assets	**2.0**	32.8	**2.0**	32.8
Donations of, and for the purchase of, heritage assets	**2.1**	6.5	**2.1**	6.5
Other donations with restrictions	**43.0**	55.4	**32.5**	46.1
Donations from subsidiary companies	**–**	–	**9.0**	11.6
Unrestricted donations	**32.3**	17.2	**26.1**	15.1
	107.3	150.2	**99.6**	150.4

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 £0.8m (2024: £0.3m) relating to capital donations received for the purchase of fixed assets.

10. Sources of grant and fee income

	Group 2025 £m	Group 2024 £m	University 2025 £m	University 2024 £m
Grant income from the OfS	**24.4**	25.3	**24.4**	25.3
Grant income from other bodies	**172.8**	177.2	**172.8**	177.2
Fee income for taught awards	**306.7**	290.2	**306.7**	290.2
Fee income for research awards	**83.4**	78.8	**83.4**	78.8
Fee income from non-qualifying courses	**46.0**	46.4	**22.2**	26.0
	633.3	617.9	**609.5**	597.5

Grant and fee income consist of Tuition fees and education contracts of £436.1m (2024: £415.3m) and Funding body grants of £197.2m (2024: £202.5m). 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).

Notes to the financial statements

for the year ended 31 July 2025

11. Other income

	Group 2025 £m	Group 2024 £m	**University 2025 £m**	University 2024 (restated*) £m
Other services rendered	**82.1**	76.3	**63.8**	60.5
Health and hospital authorities	**30.6**	24.5	**30.6**	24.5
Residences, catering, and conferences	**13.1**	13.6	**13.0**	13.4
Income from intellectual property	**1.3**	3.4	**4.1**	3.7
Rental income	**44.1**	41.0	**41.2**	38.2
Grants received (other than those included in Notes 6 and 7 above)	**3.9**	3.8	**1.1**	1.5
Sundry income	**19.8**	25.9	**40.6**	29.2
	194.9	188.5	**194.4**	171.0

* The 2024 amounts, for the University only, have been restated to eliminate an internal transaction. The effect is to reduce sundry income included in other income by £63.7m from £92.9m to £29.2m, and to reduce other operating expenses shown in the income statement by £63.7m from £1,185.7m to £1,122.0m. There is no effect on surplus for the year.

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 2025 distributions by the CUEF totalled £157.3m (2024: £151.7m) 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 2025 £m	Group 2024 £m	**University 2025 £m**	University 2024 £m
Investment income from underlying CUEF assets	**38.9**	31.0	**39.6**	31.0
Income from other investments, including current asset investments and cash equivalents	**48.5**	43.1	**39.2**	36.0
	87.4	74.1	**78.8**	67.0

Notes to the financial statements

for the year ended 31 July 2025

13. Total income

Consolidated total income is credited to reserves as follows:

	Group: Year ended 31 July 2025				Group: Year ended 31 July 2024			
	Endowments £m	Restricted £m	Unrestricted £m	Total £m	Endowments £m	Restricted £m	Unrestricted £m	Total £m
Tuition fees and education contracts	–	–	436.1	436.1	–	–	415.3	415.3
Funding body grants	–	20.8	176.4	197.2	–	22.7	179.8	202.5
Research grants and contracts	–	46.1	558.9	605.0	–	58.6	524.7	583.3
Examination, assessment and publishing services	–	–	1,032.1	1,032.1	–	–	1,016.8	1,016.8
Donations and endowments	27.9	45.3	34.1	107.3	38.3	76.6	35.3	150.2
Other income	–	3.9	191.0	194.9	–	3.8	184.7	188.5
Investment income	1.5	5.9	80.0	87.4	(0.9)	5.8	69.2	74.1
	29.4	122.0	2,508.6	2,660.0	37.4	167.5	2,425.8	2,630.7

Consolidated total income 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 2025				Group: Year ended 31 July 2024			
	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	418.5	17.6	–	436.1	394.1	21.2	–	415.3
Funding body grants	–	197.2	–	197.2	–	202.5	–	202.5
Research grants and contracts	–	310.2	294.8	605.0	–	282.5	300.8	583.3
Examination, assessment and publishing services	1,032.1	–	–	1,032.1	1,016.8	–	–	1,016.8
Donations and endowments	–	–	107.3	107.3	–	–	150.2	150.2
Other income	171.2	3.9	19.8	194.9	158.8	3.8	25.9	188.5
Investment income	87.4	–	–	87.4	74.1	–	–	74.1
	1,709.2	528.9	421.9	2,660.0	1,643.8	510.0	476.9	2,630.7

Notes to the financial statements

for the year ended 31 July 2025

14. Staff costs

	Group 2025 £m	Group 2024 £m	University 2025 £m	University 2024 £m
Wages and salaries	**994.0**	921.9	**875.2**	809.5
Social security costs	**113.0**	100.1	**101.6**	88.7
Pension costs:				
Gross pensions costs included within staff costs	**152.6**	162.1	**145.2**	155.1
Net change in USS deficit recovery provision (see Note 30)	**–**	(356.7)	**–**	(342.0)
Net change in other pension provisions	**(0.7)**	(0.7)	**(1.0)**	(0.9)
Total pension costs (see Note 36)	**151.9**	(195.3)	**144.2**	(187.8)
Total staff costs	**1,258.9**	826.7	**1,121.0**	710.4
The average number of staff employed in the year, expressed as full-time equivalents, was:	**20,129**	19,592		

Gross pensions cost included within staff costs includes cash contributions to the Universities Superannuation Scheme (USS) of £110.7m (2024: £121.5m including £12.4m deficit recovery contributions). Following the last triennial valuation of the USS, there is no longer an obligation to pay deficit recovery contributions and consequently the deficit recovery provision was released and credited to staff costs in 2024.

Remuneration and pay ratios of the Vice-Chancellor

With income of over £2.6bn, and more than 20,000 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 current Vice-Chancellor's remuneration was agreed on appointment in 2023 and is uplifted in line with any general annual pay increases that the University applies to all stipends.

The Vice-Chancellor's remuneration will be reviewed by the Remuneration Committee of the Council on or around the fourth anniversary of appointment. The review will take into account the objectives set by Council and the outcome of annual appraisal meetings. Any salary increase resulting from this review will be approved by Council, having been advised by the Remuneration Committee.

Notes to the financial statements
for the year ended 31 July 2025

14. Staff costs (continued)
Remuneration and pay ratios of the Vice-Chancellor (continued)

	2025 Total £'000	2024 Total £'000
Salary for the year	**414**	409
Other taxable remuneration	**–**	42
Deductions to reflect salary sacrifice arrangements	**(25)**	(31)
Net salary paid in the year	**389**	420
Taxable benefits in kind	**25**	29
Non-taxable benefits in kind	**8**	25
Total excluding employer pension contributions	**422**	474
Employer pension contributions	**85**	103
Payments made in lieu of pension	**–**	–
Total remuneration	**507**	577

In the prior 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 consist of accommodation, utilities and property taxes of £25,182 (2024: £29,177). The Vice-Chancellor's 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.

Non-taxable benefits comprise personal travel costs of £8,265 (2024: £22,564) and other reimbursed costs of £nil (2024: £2,027) .

Pay ratios:

(a) The Vice-Chancellor's basic salary is 10.2 times (2024: 10.4) 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.

(b) The Vice-Chancellor's total remuneration is 10.8 times (2024: 12.7) 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 median pay calculation includes 1,033 (2024: 1,080) 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 2025

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 2025 Number	Group 2024 Number
£100,001 - £105,000	**89**	113
£105,001 - £110,000	**101**	96
£110,001 - £115,000	**66**	97
£115,001 - £120,000	**89**	88
£120,001 - £125,000	**64**	68
£125,001 - £130,000	**81**	69
£130,001 - £135,000	**39**	104
£135,001 - £140,000	**38**	44
£140,001 - £145,000	**107**	27
£145,001 - £150,000	**28**	26
£150,001 - £155,000	**32**	15
£155,001 - £160,000	**22**	24
£160,001 - £165,000	**16**	17
£165,001 - £170,000	**21**	15
£170,001 - £175,000	**14**	12
£175,001 - £180,000	**10**	9
£180,001 - £185,000	**8**	7
£185,001 - £190,000	**5**	11
£190,001 - £195,000	**5**	9
£195,001 - £200,000	**6**	6
£200,001 - £205,000	**9**	3
£205,001 - £210,000	**2**	4
£210,001 - £215,000	**6**	1
£215,001 - £220,000	**2**	4
£220,001 - £225,000	**3**	6
£225,001 - £230,000	**3**	2
£230,001 - £235,000	**2**	3
£235,001 - £240,000	**1**	1
£240,001 - £245,000	**2**	1
£245,001 - £250,000	**6**	1
£250,001 - £255,000	**3**	1
£255,001 - £260,000	**–**	2
£260,001 - £265,000	**–**	2
£265,001 - £270,000	**4**	2
£270,001 - £275,000	**3**	–

Notes to the financial statements
for the year ended 31 July 2025

14. Staff costs (continued)
Basic salary bandings for higher paid staff (continued)

	Group 2025 Number	Group 2024 Number
£275,001 - £280,000	**2**	2
£280,001 - £285,000	**1**	–
£285,001 - £290,000	**–**	1
£330,001 - £335,000	**–**	1
£365,001 - £370,000	**1**	–
£370,001 - £375,000	**–**	1
£375,001 - £380,000	**1**	–
£380,001 - £385,000	**–**	1
£405,001 - £410,000	**–**	1
£410,001 - £415,000	**1**	–
£435,001 - £440,000	**–**	1
£455,001 - £460,000	**1**	–
£535,001 - £540,000	**–**	1
£560,001 - £565,000	**1**	–
	895	899

The above statistics include staff engaged in business and commercial activities, including those of the Press & Assessment, and also include the Vice-Chancellor. The salaries have not been adjusted to exclude amounts reimbursed by another body (such as the National Health Service or the research councils).

Compensation for loss of office

	Group 2025 £000	Group 2024 £000
Aggregate payments for compensation for loss of office were paid to 480 members of staff in 2024-25 (414 in 2023-24):		
Payments in respect of loss of office	**5,940**	4,455

Key management personnel

	Group 2025 £000	Group 2024 £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:	**2,456**	2,441

Notes to the financial statements

for the year ended 31 July 2025

15. Analysis of consolidated expenditure by activity

	Staff costs £m	Other operating expenses £m	Depreciation, amortisation and impairment £m	Interest £m	Group 2025 Total £m	Group 2024 Total (restated*) £m
Academic departments	**374.0**	**30.7**	**9.9**	**–**	**414.6**	426.2
Academic services	**47.9**	**17.8**	**9.7**	**–**	**75.4**	61.9
Payments to Colleges (see Note 39)	**–**	**91.2**	**–**	**–**	**91.2**	88.9
Research grants and contracts	**268.9**	**214.5**	**22.5**	**–**	**505.9**	503.2
Other activities:						
Press & Assessment	**384.9**	**429.3**	**52.3**	**1.1**	**867.6**	862.3
Other services rendered	**27.4**	**41.5**	**0.4**	**–**	**69.3**	89.4
Intellectual property	**8.6**	**(1.4)**	**0.2**	**0.2**	**7.6**	4.4
Residences, catering, and conferences	**2.8**	**16.2**	**–**	**–**	**19.0**	19.5
Other activities total	**423.7**	**485.6**	**52.9**	**1.3**	**963.5**	975.6
Administration and central services:						
Administration	**88.9**	**98.7**	**50.0**	**(0.5)**	**237.1**	117.5
General educational	**7.8**	**99.7**	**0.1**	**–**	**107.6**	112.6
Staff and student facilities	**8.3**	**2.2**	**–**	**–**	**10.5**	8.9
Development office	**9.5**	**7.4**	**–**	**–**	**16.9**	16.1
Other	**5.3**	**17.4**	**(0.2)**	**–**	**22.5**	18.9
Administration and central services total	**119.8**	**225.4**	**49.9**	**(0.5)**	**394.6**	274.0
Premises	**23.0**	**115.9**	**48.3**	**–**	**187.2**	208.7
Interest payable on bond liabilities	**–**	**–**	**–**	**6.8**	**6.8**	8.0
CUEF administration expenses	**–**	**43.8**	**–**	**–**	**43.8**	41.0
Pension cost adjustments for USS (see Note 30)	**–**	**–**	**–**	**–**	**–**	(348.7)
Pension cost adjustments for CPS (see Note 36)	**1.6**	**–**	**–**	**(1.3)**	**0.3**	4.9
Total per statement of comprehensive income	**1,258.9**	**1,224.9**	**193.2**	**6.3**	**2,683.3**	2,243.7

* The prior year figures for Administration and Premises costs have been restated to reallocate CUEF administration costs in line with the current year. The change reduced Administration by £33.7m and increased Premises by £33.7m with no effect on the total statement of comprehensive income.

Other operating expenses include:	Group 2025 £m	Group 2024 £m
Operating lease charges:		
Land and buildings	**7.7**	8.4
Other	**0.1**	0.1

At 31 July 2025, the Group has total commitments under non-cancellable operating leases of £6.7m (2024: £7.7m) not later than one year, £16.6m (2024: £20.2m) later than one year and not later than five years, and £7.8m (2024: £8.8m) later than five years.

Notes to the financial statements
for the year ended 31 July 2025

15. Analysis of consolidated expenditure by activity (continued)

Other operating expenses include:	Group 2025 £000s	Group 2024 £000s
Auditors' remuneration:		
Audit fees payable to the Group's external auditors	**2,117**	2,035
Other fees payable to the Group's external auditors – other assurance services	**63**	66
Audit fees payable to other firms (in respect of certain Trusts and subsidiary undertakings)	**347**	290
Payments to trustees		
Reimbursement of expenses to four external members of Council (2024: four).	**8**	6
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 2025 is outlined below.

	Group 2025 £m	Group 2024 £m
Access investment	**2.1**	2.5
Financial support for students	**4.2**	4.3
Support for disabled students	**3.4**	2.8
Research and evaluation	**0.1**	0.1
	9.8	9.7

Included within the above spend are staff costs amounting to £3.7m (2024: £3.6m) 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: 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 2025

17. Interest and other finance costs/(income)

	Group 2025 £m	Group 2024 £m	**University 2025 £m**	University 2024 £m
Interest payable and other finance costs on bond liabilities	**6.9**	8.1	**6.9**	8.1
Interest on pension liabilities (see Note 30)	**(1.3)**	11.8	**(1.3)**	11.5
Interest paid on other retirement benefit liabilities (see Note 31)	**0.6**	0.7	**0.6**	0.7
Finance charge/(credit) associated with the revaluation of forward exchange contracts	**0.1**	(0.3)	**(0.2)**	(0.3)
	6.3	20.3	**6.0**	20.0

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 2025 £m**	Group 2024 £m	**University 2025 £m**	University 2024 £m
Bond liabilities – unsecured 2052 (fixed interest)	**13.3**	13.3	**13.3**	13.3
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**	0.9	**0.9**	0.9
Bond liabilities – unsecured 2068 (index-linked, amortising from 2028) – fair value adjustment	**(14.4)**	(13.2)	**(14.4)**	(13.2)
	6.9	8.1	**6.9**	8.1

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 £14.4m (2024: credit of £13.2m).

For further details on these bond liabilities see Note 29.

Notes to the financial statements

for the year ended 31 July 2025

18. Taxation

	Group 2025 £m	Group 2024 £m	University 2025 £m	University 2024 £m
UK Corporation Tax	**–**	–	**–**	–
Foreign taxes	**13.5**	6.4	**10.1**	2.2
	13.5	6.4	**10.1**	2.2

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 carrying out activities for which profits are subject to local taxes. The associated risks in operating internationally are managed within the University's tax departments. The 2025 charge includes a charge of £8.6m relating to prior years following the determination of a dispute following a tax audit.

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 (2024: £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.

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.

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for the year ended 31 July 2025

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 2025						
Total income						
External	**1,474.2**	**1,055.3**	**38.9**	**94.5**	**(2.9)**	**2,660.0**
Intersegment	**420.3**	**6.8**	**–**	**92.2**	**(519.3)**	**–**
Total	**1,894.5**	**1,062.1**	**38.9**	**186.7**	**(522.2)**	**2,660.0**
Surplus/(deficit) for the year	**327.5**	**204.6**	**342.5**	**17.7**	**(605.0)**	**287.3**
Included in surplus/(deficit) for the year:						
Investment income	**160.6**	**14.6**	**38.9**	**26.7**	**(153.4)**	**87.4**
Depreciation and amortisation	**140.1**	**52.4**	**–**	**0.9**	**(0.3)**	**193.1**
Interest (receivable)/payable	**5.0**	**1.1**	**–**	**0.2**	**–**	**6.3**
(Loss)/gain on disposal of fixed assets	**(0.6)**	**4.4**	**–**	**–**	**–**	**3.8**
Gain/(Loss) on other investments and investment property	**125.6**	**24.0**	**347.7**	**12.8**	**(189.4)**	**320.7**
Additions to intangible assets, fixed assets, heritage assets and investment property	**122.8**	**55.2**	**–**	**2.0**	**(0.8)**	**179.2**
Assets	**7,989.1**	**1,377.2**	**4,697.6**	**718.3**	**(4,364.9)**	**10,417.3**
Liabilities	**(1,382.4)**	**(279.3)**	**(90.8)**	**(138.2)**	**(263.3)**	**(2,154.0)**
Net assets	**6,606.7**	**1,097.9**	**4,606.8**	**580.1**	**(4,628.2)**	**8,263.3**

	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
(Loss)/gain 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 2025

19. Segment information (continued)

Eliminations and adjustments

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

	2025 £m	2024 £m
Total income		
Elimination of intersegment income	**(519.3)**	(315.6)
Other adjustments	**(2.9)**	2.4
Total eliminations and adjustments	**(522.2)**	(313.2)
Surplus for the year		
Eliminate CUEF surplus recognised in other segments or attributable to external investors	**(342.5)**	(302.4)
Eliminate transfers from other segments to Academic University based on surpluses	**(255.4)**	(67.3)
Elimination of intersegment funding commitments	**3.2**	2.0
Eliminate intersegment surplus on transfer of fixed assets	**(0.8)**	(0.9)
Eliminate other intersegment balances	**(9.5)**	(7.5)
Total eliminations and adjustments	**(605.0)**	(376.1)

Assets and liabilities

	Assets 2025 £m	Liabilities 2025 £m	**Net assets 2025 £m**	Net assets 2024 £m
Eliminate CUEF assets recognised in other segments or attributable to external investors	**(4,142.0)**	(464.9)	**(4,606.9)**	(4,285.9)
Eliminate accrual for intersegment funding commitments	**–**	30.7	**30.7**	27.5
Eliminate intersegment surplus on transfers of fixed assets	**(69.5)**	33.0	**(36.5)**	(39.0)
Eliminate investments in subsidiaries	**(7.4)**	7.4	**–**	–
Elimate intersegment balances	**(146.0)**	130.5	**(15.5)**	(0.2)
Total eliminations and adjustments	**(4,364.9)**	(263.3)	**(4,628.2)**	(4,297.6)

Notes to the financial statements
for the year ended 31 July 2025

20. Intangible assets and goodwill

Group	Software £m	Goodwill £m	Others £m	2025 Total £m	2024 Total £m
Cost					
At 1 August	**390.7**	**37.4**	**27.9**	**456.0**	415.0
Additions	**42.1**	**–**	**1.9**	**44.0**	50.5
Disposals	**(16.8)**	**–**	**–**	**(16.8)**	(8.8)
Currency adjustments	**(0.4)**	**–**	**–**	**(0.4)**	(0.7)
At 31 July	**415.6**	**37.4**	**29.8**	**482.8**	456.0
Accumulated amortisation and impairment					
At 1 August	**270.5**	**34.2**	**17.8**	**322.5**	295.2
Charge for the year	**34.9**	**0.7**	**1.1**	**36.7**	36.7
Impairment charge	**14.6**	**–**	**–**	**14.6**	–
Disposals	**(16.7)**	**–**	**–**	**(16.7)**	(8.8)
Currency adjustments	**(0.1)**	**–**	**–**	**(0.1)**	(0.6)
At 31 July	**303.2**	**34.9**	**18.9**	**357.0**	322.5
Net book value					
At 31 July	**112.4**	**2.5**	**10.9**	**125.8**	133.5
At 1 August	**120.2**	**3.2**	**10.1**	**133.5**	119.8

University	Software £m	Goodwill £m	Others £m	2025 Total £m	2024 Total £m
Cost					
At 1 August	**370.3**	**13.2**	**22.7**	**406.2**	368.1
Additions	**40.5**	**–**	**0.2**	**40.7**	46.1
Disposals	**(14.9)**	**–**	**(1.6)**	**(16.5)**	(7.8)
Currency adjustments	**(0.2)**	**–**	**–**	**(0.2)**	(0.2)
At 31 July	**395.7**	**13.2**	**21.3**	**430.2**	406.2
Accumulated amortisation and impairment					
At 1 August	**253.6**	**9.8**	**20.0**	**283.4**	257.7
Charge for the year	**31.9**	**0.7**	**0.7**	**33.3**	33.7
Impairment charge	**14.6**	**–**	**–**	**14.6**	–
Disposals	**(14.9)**	**–**	**(1.6)**	**(16.5)**	(7.8)
Currency adjustments	**–**	**–**	**–**	**–**	(0.2)
At 31 July	**285.2**	**10.5**	**19.1**	**314.8**	283.4
Net book value					
At 31 July	**110.5**	**2.7**	**2.2**	**115.4**	122.8
At 1 August	**116.7**	**3.4**	**2.7**	**122.8**	110.4

An impairment charge of £14.6m was recognised for the Group and the University to expense previously capitalised implementation costs relating to cloud computing solutions as it was assessed that the costs did not give rise to an asset controlled by the University.

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21. Tangible assets

Group	Land £m	Non-Leasehold Buildings £m	Leasehold Buildings £m	Assets in construction £m	Equipment £m	2025 Total £m	2024 Total £m
Cost							
At 1 August	**371.7**	**2,408.1**	**420.6**	**38.3**	**567.7**	**3,806.4**	3,710.0
Additions	**–**	**0.7**	**1.4**	**80.7**	**34.5**	**117.3**	111.1
Transfers	**–**	**12.3**	**3.4**	**(20.5)**	**5.6**	**0.8**	–
Disposals	**–**	**(0.2)**	**(6.4)**	**–**	**(23.1)**	**(29.7)**	(14.1)
Currency adjustments	**(0.1)**	**(0.2)**	**(0.2)**	**(0.1)**	**(0.3)**	**(0.9)**	(0.6)
At 31 July	**371.6**	**2,420.7**	**418.8**	**98.4**	**584.4**	**3,893.9**	3,806.4
Accumulated depreciation							
At 1 August	**–**	**495.5**	**84.2**	**–**	**468.0**	**1,047.7**	946.6
Charge for the year	**–**	**65.4**	**10.9**	**–**	**49.3**	**125.6**	114.9
Impairment charge	**–**	**16.3**	**–**	**–**	**–**	**16.3**	–
Disposals	**–**	**(0.2)**	**(2.5)**	**–**	**(22.3)**	**(25.0)**	(13.2)
Currency adjustments	**–**	**(0.2)**	**–**	**–**	**(0.3)**	**(0.5)**	(0.6)
At 31 July	**–**	**576.8**	**92.6**	**–**	**494.7**	**1,164.1**	1,047.7
Net book value							
At 31 July	**371.6**	**1,843.9**	**326.2**	**98.4**	**89.7**	**2,729.8**	2,758.7
At 1 August	**371.7**	**1,912.6**	**336.4**	**38.3**	**99.7**	**2,758.7**	2,763.4

The net book value of leasehold land included in the above table is £30.2m (2024: £30.2m).

University	Land £m	Non-Leasehold Buildings £m	Leasehold Buildings £m	Assets in construction £m	Equipment £m	2025 Total £m	2024 Total £m
Cost							
At 1 August	**371.7**	**2,406.5**	**410.0**	**42.1**	**553.8**	**3,784.1**	3,690.8
Additions	**–**	**0.4**	**–**	**81.5**	**32.1**	**114.0**	103.8
Transfers	**–**	**14.7**	**0.9**	**(20.3)**	**5.5**	**0.8**	–
Disposals	**–**	**(0.2)**	**–**	**–**	**(20.4)**	**(20.6)**	(10.4)
Currency adjustments	**(0.1)**	**–**	**–**	**–**	**(0.2)**	**(0.3)**	(0.1)
At 31 July	**371.6**	**2,421.4**	**410.9**	**103.3**	**570.8**	**3,878.0**	3,784.1
Accumulated depreciation							
At 1 August	**–**	**495.8**	**80.1**	**–**	**458.2**	**1,034.1**	931.0
Charge for the year	**–**	**65.4**	**10.0**	**–**	**47.5**	**122.9**	112.6
Impairment charge	**–**	**16.3**	**–**	**–**	**–**	**16.3**	–
Disposals	**–**	**(0.2)**	**–**	**–**	**(19.6)**	**(19.8)**	(9.4)
Currency adjustments	**–**	**–**	**–**	**–**	**–**	**–**	(0.1)
At 31 July	**–**	**577.3**	**90.1**	**–**	**486.1**	**1,153.5**	1,034.1
Net book value							
At 31 July	**371.6**	**1,844.1**	**320.8**	**103.3**	**84.7**	**2,724.5**	2,750.0
At 1 August	**371.7**	**1,910.7**	**329.9**	**42.1**	**95.6**	**2,750.0**	2,759.8

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21. Tangible assets (continued)

The net book value of leasehold land included in the above table is £30.2m (2024: £30.2m).

The Department of Physics Cavendish Laboratory relocated to the new Ray Dolby Centre building during the year. The previous facilities have been vacated and a decision has been taken to demolish the building. An impairment charge of £16.3m was therefore recognised for the Group and the University to write-off the remaining carrying value of the vacated building.

22. Heritage assets

	Group 2025 £m	Group 2024 £m	**University 2025 £m**	University 2024 £m
At 1 August	**109.0**	101.8	**109.0**	101.7
Additions in the year	**2.5**	7.2	**2.5**	7.3
At 31 July	**111.5**	109.0	**111.5**	109.0

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:

	2025 £m	2024 £m	2023 £m	2022 £m	2021 £m
Value of acquisitions by donation	**2.0**	6.5	19.1	4.8	3.7
Total acquired by, or funded by, donations	**2.0**	6.5	19.1	4.8	3.7
Acquisitions purchased with University funds	**0.5**	0.7	0.5	–	0.1
Total acquisitions capitalised	**2.5**	7.2	19.6	4.8	3.8

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23. Non-current asset investments

a) Other investments and joint ventures

	Group 2025 £m	Group 2024 £m	**University 2025 £m**	University 2024 £m
Opening balance	**4,778.0**	4,364.1	**4,128.3**	3,727.7
Additions in the year	**418.7**	167.6	**417.7**	167.4
Disposals in the year	**(530.3)**	(17.7)	**(528.4)**	(14.7)
Transfers to cash and cash equivalents	**(77.4)**	(77.5)	**(51.3)**	(52.3)
Share of operating deficit in joint ventures and associates	**–**	–	**(1.9)**	–
Gains on investments	**327.9**	341.5	**285.0**	300.2
Closing balance at 31 July	**4,916.9**	4,778.0	**4,249.4**	4,128.3
Represented by:				
CUEF units	**4,232.8**	3,985.5	**3,560.0**	3,340.1
Cambridge multi-asset fund (CMAF)	**524.2**	607.4	**524.2**	607.4
Securities	**30.5**	34.3	**20.9**	23.5
Spin-out and similar companies (see Note 37)	**93.5**	103.4	**73.8**	74.8
Investments in associates – held as part of an investment portfolio (see Note 37)	**29.8**	40.6	**29.8**	40.6
Investments in subsidiary undertakings	**–**	–	**39.8**	41.0
Investments in joint ventures	**6.1**	6.8	**–**	–
Other	**–**	–	**0.9**	0.9
	4,916.9	4,778.0	**4,249.4**	4,128.3

CUEF units of £4,232.8m (2024: £3,985.5m) 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 in SPVs are valued at £214.7m at 31 July 2025 (2024: £204.2m). The SPVs have also recognised secured loans of £77.3m (2024: £77.3m) 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.

Notes to the financial statements
for the year ended 31 July 2025

23. Non-current asset investments (continued)
Gains/(losses) on other investments
Gains/(losses) on investments included the following:

	Group 2025 £m	Group 2024 £m	**University 2025 £m**	University 2024 £m
Gains on CUEF investments	**315.2**	285.0	**263.7**	237.4
Gains on CMAF investments	**36.8**	50.5	**36.8**	50.5
Gains on Securities	**0.7**	3.7	**0.4**	3.0
(Losses)/gains on spin-out and similar companies	**(14.0)**	0.4	**(5.1)**	7.4
(Losses)/gains on Investments in associates – held as part of an investment portfolio	**(10.8)**	1.9	**(10.8)**	1.9
Gains on non-current investments	**327.9**	341.5	**285.0**	300.2
(Losses) / gains on current asset investments	**(11.5)**	7.3	**(11.4)**	7.2
Gains on other investments	**316.4**	348.8	**273.6**	307.4

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 2025 £m	Group 2024 £m	**University 2025 £m**	University 2024 £m
Non-current asset investments, comprising	**4,232.8**	3,985.5	**3,560.0**	3,340.1
Investment assets	**3,960.8**	3,684.4	**3,288.0**	3,039.0
Cash and cash equivalents	**272.0**	301.1	**272.0**	301.1
Current asset investments (see Note 26) – balances held on behalf of:	**464.9**	379.2	**1,137.7**	1,024.6
Subsidiary undertakings	**–**	–	**672.8**	645.4
Colleges	**451.0**	365.1	**451.0**	365.1
Other associated bodies	**13.9**	14.1	**13.9**	14.1
Derivative financial instrument liabilities (Note 28)	**(13.6)**	(1.5)	**(13.6)**	(1.5)
Secured borrowings (Note 29)	**(77.3)**	(77.3)	**(77.3)**	(77.3)
Total value of units	**4,606.8**	4,285.9	**4,606.8**	4,285.9

At 30 June 2025, 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 2025, 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.

Notes to the financial statements

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23. Non-current asset investments (continued)

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 2025 £m	**Other investors 2025 £m**	**Total 2025 £m**	Group 2024 £m	Other investors 2024 £m	Total 2024 £m
Opening balance	**3,906.7**	**379.2**	**4,285.9**	3,735.9	351.3	4,087.2
Additions in the year*	**105.6**	**71.2**	**176.8**	59.4	19.5	78.9
Disposals in the year*	**(24.3)**	**(1.3)**	**(25.6)**	(12.8)	(3.6)	(16.4)
Gains on investments	**315.2**	**32.5**	**347.7**	285.0	27.4	312.4
Income from investments	**34.8**	**3.9**	**38.7**	28.3	2.7	31.0
Operating expenditure	**(38.8)**	**(4.3)**	**(43.1)**	(37.4)	(3.6)	(41.0)
Distribution to investors*	**(157.3)**	**(16.3)**	**(173.6)**	(151.7)	(14.5)	(166.2)
Closing balance at 31 July	**4,141.9**	**464.9**	**4,606.8**	3,906.7	379.2	4,285.9

* 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 84.

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

	Group 31 July 2025 £m	**%**	Group 31 July 2024 (restated*) £m	%
Public equity	**1,858.4**	**40.3%**	1,722.7	40.2%
Private equity	**1,095.2**	**23.8%**	1,007.3	23.5%
Absolute return	**966.6**	**21.0%**	841.0	19.6%
Credit strategies	**55.0**	**1.2%**	98.6	2.3%
Real assets	**409.3**	**8.9%**	337.7	7.9%
Fixed interest, cash and other	**222.3**	**4.8%**	278.6	6.5%
Total value of fund	**4,606.8**	**100.0%**	4,285.9	100.0%

* 2024 amounts have been restated to align with the classification in 2025.

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 84, 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.

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23. Non-current asset investments (continued)
b) Investment property

	Group 2025 £m	Group 2024 £m	**University 2025 £m**	University 2024 £m
Opening balance	**477.1**	509.0	**477.1**	509.0
Additions in the year	**15.5**	10.0	**15.5**	10.0
Disposals in the year	**(23.4)**	(39.5)	**(23.4)**	(39.5)
Transfers to other balance sheet accounts	**(0.8)**	–	**(0.8)**	–
Net gain/(loss) from fair value adjustments	**4.3**	(2.4)	**4.3**	(2.4)
Closing balance	**472.7**	477.1	**472.7**	477.1
Represented by:				
North West Cambridge development	**240.2**	249.2	**240.2**	249.2
Other investment property	**232.5**	227.9	**232.5**	227.9
	472.7	477.1	**472.7**	477.1
Investment gain/(loss) on investment property	**4.3**	(2.4)	**4.3**	(2.4)

Investment property is measured at fair value, based on valuations undertaken by independent Chartered Surveyors which are updated annually.

24. Stock and work in progress

	Group 2025 £m	Group 2024 £m	**University 2025 £m**	University 2024 £m
Goods for resale	**23.5**	22.8	**19.8**	18.9
Pre-publication costs and other work in progress	**21.6**	21.2	**20.6**	20.0
Other stock	**1.7**	1.7	**1.6**	1.6
	46.8	45.7	**42.0**	40.5

There is no significant difference between the replacement cost of inventory and its carrying amount. Inventories are stated after a provision for impairment of £6.2m (2024: £8.3m).

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25. Trade and other receivables

	Group 2025 £m	Group 2024 £m	**University 2025 £m**	University 2024 £m
Amounts due within one year:				
Research grants recoverable	**134.2**	131.0	**135.2**	132.1
Amounts due from group undertakings	**–**	–	**109.7**	125.6
Trade debtors	**171.9**	173.7	**141.1**	146.4
Other debtors	**221.8**	201.8	**198.1**	180.2
	527.9	506.5	**584.1**	584.3

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 £246.7m (2024: £254.6m) and within the University amounting to £214.1m (2024: £224.9m). Trade and research grants recoverable are stated after a provision for impairment of £34.2m (2024: £40.5m).

26. Current asset investments

	Group 2025 £m	Group 2024 £m	**University 2025 £m**	University 2024 £m
CUEF units held on behalf of other entities (see Note 23)	**464.9**	379.2	**1,137.6**	1,024.6
Money market investments (see Note 42)	**293.0**	191.0	**293.0**	191.0
Other current asset investments	**275.7**	148.1	**275.8**	147.8
	1033.6	718.3	**1,706.4**	1,363.4

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 2025 £m	Group 2024 £m	**University 2025 £m**	University 2024 £m
Money market investments with maturity less than three months	**221.9**	202.9	**221.9**	202.9
Cash at bank and in hand and with investment managers	**216.2**	276.5	**109.7**	170.5
	438.1	479.4	**331.6**	373.4

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 2025

28. Creditors: amounts falling due within one year

	Group 2025 £m	Group 2024 £m	**University 2025 £m**	University 2024 £m
Finance leases (see Note 42)	**0.1**	0.1	**0.1**	0.1
Research grants received in advance	**264.6**	242.2	**258.0**	237.5
Other creditors and deferred income	**466.3**	448.8	**372.0**	351.5
Amounts due to group undertakings	**-**	–	**69.5**	82.4
Derivative financial instruments liabilities	**14.0**	2.1	**14.0**	2.1
Investments and cash equivalents held on behalf of subsidiary undertakings	**-**	–	**736.1**	729.9
Investments and cash equivalents held on behalf of Colleges and other associated bodies	**470.4**	383.4	**470.4**	383.4
	1,215.4	1,076.6	**1,920.1**	1,786.9

Deferred income of £133.5m (2024: £114.3m) is included above for the Group and £115.2m (2024: £92.0m) for the University as at 31 July 2025. Derivative financial instruments liabilities as at 31 July 2025 includes amounts held within the CUEF of £13.6m (2024: £1.5m) for both the Group and the University.

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

	Group 2025 £m	Group 2024 £m	**University 2025 £m**	University 2024 £m
Bond liabilities - unsecured 2052 (fixed interest)	**343.5**	343.4	**343.5**	343.4
Bond liabilities - unsecured 2078 (fixed interest)	**297.9**	297.9	**297.9**	297.9
Bond liabilities - unsecured 2068 (index-linked, amortising from 2028)	**168.8**	183.2	**168.8**	183.2
Secured CUEF borrowings	**77.3**	77.3	**77.3**	77.3
Finance leases	**0.8**	0.8	**0.8**	0.8
Accruals and deferred income	**31.4**	37.6	**6.4**	8.1
	919.7	940.2	**894.7**	910.7

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.

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

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 2025, the Indexed bonds were revalued downwards to £168.8m (2024: £183.2m) based on an average price of three independent valuations, decreasing the liability and resulting in a fair value adjustment credit through finance costs of £14.4m (2024: credit of £13.2m).

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

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

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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 2025 £m	Total 2024 £m
Opening balance	**(17.8)**	**(8.4)**	**12.0**	**(2.7)**	**(16.9)**	**–**	**1.9**	**(15.0)**	427.5
Movement in year:									
Current service cost	**19.0**	**0.4**	**–**	**–**	**19.4**	**–**	**5.3**	**24.7**	27.4
Past service cost	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	–
Contributions	**(18.7)**	**(0.4)**	**(2.5)**	**–**	**(21.6)**	**–**	**(5.0)**	**(26.6)**	(29.4)
Administration expenses	**1.3**	**–**	**–**	**0.1**	**1.4**	**–**	**–**	**1.4**	1.4
Net interest on liability	**(1.3)**	**(0.4)**	**0.5**	**(0.1)**	**(1.3)**	**–**	**–**	**(1.3)**	11.8
Currency adjustments	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	0.1
Net change in underlying assumptions (see Note 14):									
– change in underlying assumptions	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	(344.3)
– USS deficit contributions payable	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	(12.4)
	–	**–**	**–**	**–**	**–**	**–**	**–**	**–**	(356.7)
Actuarial (gain)/loss	**17.5**	**(3.1)**	**(5.7)**	**0.4**	**9.1**	**–**	**(0.1)**	**9.0**	(97.1)
Closing balance at 31 July	**–**	**(11.9)**	**4.3**	**(2.3)**	**(9.9)**	**–**	**2.1**	**(7.8)**	(15.0)
University									
Opening balance	**(17.8)**	**(8.4)**	**12.0**	**(2.7)**	**(16.9)**	**–**	**–**	**(16.9)**	411.5
Movement in year:									
Current service cost	**19.0**	**0.4**	**–**	**–**	**19.4**	**–**	**4.9**	**24.3**	27.0
Past service cost	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	–
Contributions	**(18.7)**	**(0.4)**	**(2.5)**	**–**	**(21.6)**	**–**	**(4.9)**	**(26.5)**	(29.2)
Administration expenses	**1.3**	**–**	**–**	**0.1**	**1.4**	**–**	**–**	**1.4**	1.4
Net interest on liability	**(1.3)**	**(0.4)**	**0.5**	**(0.1)**	**(1.3)**	**–**	**–**	**(1.3)**	11.5
Currency adjustments	**–**	**–**	**–**	**–**	**–**	**–**	**0.1**	**0.1**	–
Net change in underlying assumptions (see Note 14):									
– change in underlying assumptions	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	(330.1)
– USS deficit contributions payable	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	(11.9)
	–	**–**	**–**	**–**	**–**	**–**	**–**	**–**	(342.0)
Actuarial (gain)/loss	**17.5**	**(3.1)**	**(5.7)**	**0.4**	**9.1**	**–**	**(0.1)**	**9.0**	(97.1)
Closing balance at 31 July	**–**	**(11.9)**	**4.3**	**(2.3)**	**(9.9)**	**–**	**–**	**(9.9)**	(16.9)

The net (assets)/liabilities in respect of the Cambridge University Assistants' Contributory Pension Scheme (CPS) and the Press & Assessment 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 limited to any asset after allowing for a minimum funding requirement for contributions, which in 2025 is nil. For additional information, please refer to Note 36.

Notes to the financial statements

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30. Pension (assets)/liabilities (continued)

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 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	**2025 £m**	2024 £m
Opening balance	**13.4**	14.9
Movement attributable to the year:		
Current service cost less benefits paid	**0.1**	0.1
Contributions	**(0.8)**	(0.9)
Finance costs	**0.6**	0.7
Currency adjustments	**(0.2)**	0.1
Actuarial gain	**(0.6)**	(1.5)
Closing balance at 31 July	**12.5**	13.4

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32. Income and expenditure reserve - endowment

Group	Permanent £m	Expendable £m	2025 Total £m	2024 Total £m
Balance at 1 August	1,891.4	730.7	2,622.1	2,469.1
New endowments received	23.1	4.8	27.9	38.3
Transfers to restricted and unrestricted reserves	4.7	0.3	5.0	11.8
Investment expense	1.0	0.5	1.5	(0.9)
Expenditure	(60.8)	(25.7)	(86.5)	(81.4)
Valuation gains on investments	141.7	52.3	194.0	185.2
Balance at 31 July	2,001.1	762.9	2,764.0	2,622.1
Capital	1,685.4	653.3	2,338.7	2,231.6
Unspent income	315.7	109.6	425.3	390.5
Balance at 31 July	2,001.1	762.9	2,764.0	2,622.1
Representing:				
Trust and Special Funds:				
Professorships, Readerships, and Lectureships	976.8	103.5	1,080.3	1,021.0
Scholarships and bursaries	305.5	384.3	689.8	657.4
Other	671.7	274.7	946.4	892.4
Gates Cambridge Trust	–	0.4	0.4	0.3
General endowments	47.1	–	47.1	51.0
Group total	2,001.1	762.9	2,764.0	2,622.1
University				
Balance at 1 August	1,878.1	380.9	2,259.0	2,119.1
New endowments received	23.1	4.8	27.9	38.2
Transfers to restricted and unrestricted reserves	4.7	0.3	5.0	11.4
Investment expense	–	0.6	0.6	(1.7)
Expenditure	(59.2)	(12.0)	(71.2)	(67.5)
Valuation gains on investments	141.2	24.8	166.0	159.5
Balance at 31 July	1,987.9	399.4	2,387.3	2,259.0
Capital	1,672.2	292.5	1,964.7	1,868.6
Unspent income	315.7	106.9	422.6	390.4
Balance at 31 July	1,987.9	399.4	2,387.3	2,259.0

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33. Income and expenditure reserve - restricted

	Unspent capital grants £m	Unspent research grants £m	Specific donations £m	Other restricted reserves £m	2025 Total £m	2024 Total £m
Group						
Balance at 1 August	**19.4**	**70.2**	**171.2**	**30.7**	**291.5**	254.2
Donations and grants recognised in the year	**24.6**	**42.3**	**49.2**	**–**	**116.1**	161.7
Investment income	**0.4**	**0.9**	**4.6**	**–**	**5.9**	5.8
Expenditure	**(1.2)**	**(42.5)**	**(39.5)**	**–**	**(83.2)**	(103.3)
Capital grants spent	**(23.6)**	**–**	**–**	**–**	**(23.6)**	(28.3)
Valuation gains on investments	**0.2**	**–**	**3.8**	**2.4**	**6.4**	5.7
Transfers from unrestricted income	**(4.8)**	**–**	**(2.8)**	**–**	**(7.6)**	(4.3)
Balance at 31 July	**15.0**	**70.9**	**186.5**	**33.1**	**305.5**	291.5
University						
Balance at 1 August	**19.2**	**70.2**	**170.3**	**30.7**	**290.4**	253.8
Donations and grants recognised in the year	**24.6**	**42.3**	**32.5**	**–**	**99.4**	127.3
Investment income	**0.4**	**0.9**	**4.6**	**–**	**5.9**	5.8
Expenditure	**(1.5)**	**(42.6)**	**(24.1)**	**–**	**(68.2)**	(69.2)
Capital grants spent	**(23.6)**	**–**	**–**	**–**	**(23.6)**	(28.3)
Valuation gains on investments	**0.2**	**–**	**3.8**	**2.4**	**6.4**	5.7
Transfers from unrestricted income	**(4.8)**	**–**	**(2.8)**	**–**	**(7.6)**	(4.7)
Balance at 31 July	**14.5**	**70.8**	**184.3**	**33.1**	**302.7**	290.4

34. Non-controlling interests

Non-controlling interests represent the interests of minority shareholders in the total comprehensive income and net assets of subsidary 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 was as follows:

	Group 2025 £m	Group 2024 £m
Opening balance at 1 August	**6.7**	6.0
Total comprehensive income attributable to non-controlling interests	**0.5**	1.4
Dividends paid to non-controlling interests	**(2.6)**	(0.3)
Exchange differences	**(0.1)**	(0.4)
Closing balance at 31 July	**4.5**	6.7

For the year ended 31 July 2025, the surplus for the year attributable to non-controlling interests was £0.5m (2024: £1.4m), the total comprehensive income attributable to non-controlling interests was £0.5m (2024: £1.4m) and the unrestricted reserves attributable to non-controlling interests was £4.5m (2024: £6.7m).

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35. Capital commitments and contingent liabilities

	Group 2025 £m	Group 2024 £m
Commitments for capital expenditure:		
Commitments contracted at 31 July	**58.9**	63.3
Authorised but not contracted at 31 July	**127.9**	115.1
	186.8	178.4
Commitments for capital calls on investments	**929.8**	782.2

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.

The diverse nature of the Group's activities is such that, from time to time, it is subject to legal disputes and other matters arising in the normal course of business. Provisions are recognised when a present obligation exists, settlement is probable, and the Group can reliably estimate the potential financial impact. Contingent liabilities are disclosed when a possible but uncertain obligation exists from a past event, or the amount cannot be measured reliably. There are no material matters which require separate disclosure as at the year end (2024: nil).

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 are closed to new members and benefits payable are frozen based on 2007 salary levels. Cambridge University Press & Assessment also operates a defined benefit plan in the US, the Cambridge University Press Defined Benefit Plan (DBP), which is closed to new members and with benefits payable frozen based on salary levels at the time of closure.

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. If the University is obligated by a recovery plan to partially fund an overall deficit, the University recognises a liability for the deficit contributions payable and recognises the related expense in the statement of comprehensive income.

The latest available complete actuarial valuation of the Retirement Income Builder, the defined benefit part of the scheme, 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.

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36. Pension schemes (continued)

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.

Consumer Prices Index (CPI)	3.0% p.a. (based on a long-term average expected level of CPI, broadly consistent with long-term market expectations)
RPI/CPI gap	1.0% p.a. to 2030, reducing to 0.1% p.a. from 2030
Discount rate	Fixed interest gilt yield curve plus: Pre-retirement: 2.5% p.a. Post retirement: 0.9% p.a.
Pension increases (all 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%

The main demographic assumptions 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., 10% w2020 and w2021 parameters, 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:

	2025	2024
Males currently aged 65 (years)	**23.8**	23.7
Females currently aged 65 (years)	**25.5**	25.4
Males currently aged 45 (years)	**25.7**	25.6
Females currently aged 45 (years)	**27.2**	27.2

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%. 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 in the prior year.

The total pension cost for the USS is shown on page 101.

36. Pension schemes (continued)

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 2024. The results of the valuation showed the actuarial value of the scheme's assets as £918m. These were sufficient to cover the scheme's past service liabilities of £880m; the scheme had a surplus of £38m and was 104% funded. The next triennial actuarial valuation will be undertaken as at 31 July 2027.

Since 1 August 2023, employer contributions were set at 14.1% of pensionable pay for existing members at 31 December 2012 and 7.6% 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 2025, employer contributions were adjusted to between 13.1% and 13.4% of pensionable pay for existing members at 31 December 2012 and 6.9% of pensionable pay (together with contributions at 5% to a separate defined contribution arrangement) for new entrants from 1 January 2013.

CPS: Pension costs under FRS 102

The liabilities of the plan have been calculated for the purposes of FRS102 based on the calculations undertaken for the triennial actuarial valuation as at 31 July 2024, allowing for the different assumptions required under FRS102 and taking fully into consideration changes in the plan benefit structure and membership since that date.

The principal assumptions used by the actuary were:

	2025	2024
Discount rate	**5.70%**	4.90%
Rate of increase in salaries for following year	**2.50%**	5.70%
Rate of increase in salaries thereafter	**3.20%**	3.25%
Retail Prices Index (RPI)	**3.05%**	3.10%
Consumer Prices Index (CPI)	**2.70%**	2.75%
Rate of increase in pensions in payment:		
RPI capped at 5.0% p.a.	**3.00%**	3.05%
CPI capped at 5.0% p.a.	**2.70%**	2.70%
Mortality - equivalent life expectancy for members reaching the age of 65:		
Males currently aged 65	**86**	86
Males currently aged 45	**87**	87
Females currently aged 65	**89**	89
Females currently aged 45	**90**	90

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36. Pension schemes (continued)
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 pension surplus/(deficit)	
	2025 £m	2024 £m	**2025 £m**	2024 £m	**2025 £m**	2024 £m
Opening	**(891.9)**	(905.4)	**918.4**	842.8	**26.5**	(62.6)
Current service cost	**(19.0)**	(18.2)	**–**	–	**(19.0)**	(18.2)
Administrative expenses paid	**–**	–	**(1.3)**	(1.3)	**(1.3)**	(1.3)
Employer contributions	**–**	–	**18.7**	17.8	**18.7**	17.8
Contributions by members	**(0.3)**	(0.3)	**0.3**	0.3	**–**	–
Benefits paid	**36.1**	35.2	**(36.1)**	(35.2)	**–**	–
Interest (expense)/income	**(43.2)**	(45.7)	**44.5**	42.5	**1.3**	(3.2)
Remeasurement gains/(losses):						
Actuarial gains	**96.9**	42.5	**–**	–	**96.9**	42.5
Expected less actual plan expenses	**–**	–	**(0.3)**	(0.3)	**(0.3)**	(0.3)
Return on assets excluding interest	**–**	–	**42.5**	51.8	**42.5**	51.8
Closing	**(821.4)**	(891.9)	**986.7**	918.4	**165.3**	26.5
Effect of minimum funding requirement					**(165.3)**	(8.7)
Asset recognised in the balance sheet					**–**	17.8

The scheme is in an accounting surplus. The Group has assessed that it does not have an unconditional right to a refund of any surplus but, as the scheme is open, it is potentially able to recover the surplus through a reduction in future contributions. The economic benefit available is however limited by a minimum funding requirement for contributions. This has resulted in the asset recognised being reduced to nil (2024: £17.8m). The change in the effect of the minimum funding requirement 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.

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36. Pension schemes (continued)

The total cost recognised in expenditure was:

	2025 £m	2024 £m
Current service cost	**19.0**	18.2
Past service cost	**–**	–
Administrative expenses	**1.3**	1.3
Interest cost	**(1.3)**	3.2
	19.0	22.7
The fair values of the major categories of scheme assets expressed as a percentage of the total were:		
Equities	**71.1%**	68.4%
Bonds and cash	**20.0%**	22.4%
Property	**8.9%**	9.2%
	100.0%	100.0%
The return on the scheme's assets was (£m):		
Interest income	**44.5**	42.5
Return on assets excluding interest income	**42.5**	51.8
	87.0	94.3

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 31 July 2024 using the projected unit cost method (SSPS and CPF) and the next triennial will be performed as at 31 July 2027 with funding policy and contribution levels to be reviewed accordingly.

Pension costs under FRS 102

The latest valuations were carried out by the actuaries for the purpose of the annual financial statements on an FRS 102 basis as at 31 July 2025. The principal assumptions used by the actuary for the schemes were:

	2025	2024
Discount rate	**5.70%**	5.00%
Rate of increase in pensions	**3.65%**	3.75%
Mortality – equivalent life expectancy for members at age 60:		
Males	**86–90**	86–89
Females	**89–91**	89–91

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36. Pension schemes (continued)

The following results were measured in accordance with the requirements of FRS 102, based on the assumptions summarised above. The results for both the PCPF and PSSPS UK defined benefit schemes have been amalgamated.

	Present value of defined benefit obligation		Fair value of scheme assets		Net pension surplus/(deficit)	
	2025 £m	2024 £m	**2025 £m**	2024 £m	**2025 £m**	2024 £m
Opening	**(259.8)**	(259.6)	**256.2**	242.8	**(3.6)**	(16.8)
Current service cost	**(0.4)**	(0.6)	**–**	–	**(0.4)**	(0.6)
Employer contributions	**–**	–	**2.9**	3.2	**2.9**	3.2
Contributions by members	**–**	–	**–**	–	**–**	–
Benefits paid	**15.6**	14.9	**(15.6)**	(14.9)	**–**	–
Interest (expense)/income	**(12.6)**	(13.1)	**12.5**	12.2	**(0.1)**	(0.9)
Remeasurement gains/(losses):						
Actuarial gains/(losses)	**15.7**	(1.4)	**(6.9)**	12.9	**8.8**	11.5
Closing	**(241.5)**	(259.8)	**249.1**	256.2	**7.6**	(3.6)
Asset/(liability) recognised in the balance sheet						
PCPF					**11.9**	8.4
PSSPS					**(4.3)**	(12.0)
					7.6	(3.6)

The above table excludes the US net pension asset relating to the DBP of £2.3m (2024: £2.7m). The Group has assessed that it has an unconditional right to a refund of any surplus in the PCPF and the DBP and so recognises an asset for these schemes.

The movement for the year in the net pension asset/liability for each of the PCPF, PSSPS and DBP is shown in Note 30.

The total cost recognised in expenditure was:

	2025 £m	2024 £m
Current service cost	**0.4**	0.6
Interest cost	**0.1**	0.9
	0.5	1.5

	2025	2024
The fair values of the major categories of scheme assets expressed as a percentage of the total were:		
Equities	**28.9%**	34.7%
Property	**0.5%**	1.0%
Cash and annuities	**3.4%**	2.9%
Diversified growth fund/credit fund	**67.2%**	61.4%
	100.0%	100.0%
The return on the scheme's assets was:		
Interest income (£m)	**12.5**	12.2

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 2025 £m	**Provisions (Note 30) 2025 £m**	**Total 2025 £m**	Employer contributions 2024 £m	Provisions (Note 30) 2024 £m	Total 2024 £m
USS	**110.7**	**–**	**110.7**	121.5	(356.7)	(235.2)
CPS	**18.7**	**1.6**	**20.3**	17.8	1.7	19.5
PCPF	**0.4**	**–**	**0.4**	0.8	–	0.8
PSSPS	**2.6**	**(2.6)**	**–**	2.6	(2.6)	–
NHSPS	**3.4**	**–**	**3.4**	3.2	–	3.2
Other pension schemes	**16.8**	**0.3**	**17.1**	16.2	0.2	16.4
	152.6	**(0.7)**	**151.9**	162.1	(357.4)	(195.3)

Sensitivity analysis

The CPS scheme represents 76% of the total defined benefit obligations of the Group. The sensitivity of the CPS defined benefit obligation to changes in the principal valuation assumptions is set out below:

Change in assumptions at 31 July 2025	**Approximate impact**
CPS scheme valuation	
a) Impact of a 0.1% p.a. increase in discount rate	Liability decreases by £11.8m
b) Impact of a 0.1% p.a. increase in inflation rate	Liability increases by £12.3m
c) Life expectancy increased by one year	Liability increases by £24.6m

Since the CPS pension surplus is not recognised as an asset, changing the assumptions does not have an equivalent effect on the Group's balance sheet.

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37. Subsidiary and associated undertakings and other significant investments

The following undertakings were subsidiary and associated undertakings during the year ended 31 July 2025. 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 Ltd		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

Notes to the financial statements
for the year ended 31 July 2025

37. Subsidiary and associated undertakings and other significant investments (continued)

Name	Notes	Principal activity
Cambridge University Research and Innovation (Nanjing) Ltd	o	Research and development
Cambridge University Nanjing Centre of Technology	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 Limited	au	Undergraduate admissions testing
Investment Properties (UOC) Ltd		Letting and operating real estate
Cambridge University Staff Lending Limited		Non-trading
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

Notes to the financial statements
for the year ended 31 July 2025

37. Subsidiary and associated undertakings and other significant investments (continued)

Name	Notes	Principal activity
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 Turkey Satış Destek Limted Şirketi	aa	Business support services
Cambridge University Press Satış ve Dağıtım Ticaret Limited Şirketi	aa	Non-trading (dissolved 19 February 2025)
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
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

Notes to the financial statements
for the year ended 31 July 2025

37. Subsidiary and associated undertakings and other significant investments (continued)

Name	Notes	Principal activity
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.

Notes to the financial statements

for the year ended 31 July 2025

37. Subsidiary and associated undertakings and other significant investments (continued)

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.

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.

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.

37. Subsidiary and associated undertakings and other significant investments (continued)

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.

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% (2024: 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.

Notes to the financial statements
for the year ended 31 July 2025

38. Related party transactions (continued)

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 2025 includes £2.1m (2024: £9.9m) in respect of continuing grants funded by Gatsby of which £0.2m (2024: £nil) was included in debtors and a further £6.6m (2024: £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 2024-25 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 2025, provided a grant of £892,000 (2024: £863,000) and made other payments totalling £43,000 (2024: £47,000) for services provided, of which £600 was included in creditors at the year end (2024: £nil). In addition, services were provided to the University by the Students Union during the 2024-25 financial year amounting to £1,300 (2024: £nil) .

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 2024-25 the University received payments from the OIS amounting to £0.9m (2024: £1.9m) relating to contributions to the Vice-Chancellor's Fund and the Cambridge Admissions Office and £3.9m (2024: £3.1m) for other services, of which £nil (2024: £850,000) was included in debtors at the year end. In addition, services were provided to the University by the OIS during the 2024-25 financial year amounting to £5.1m (2024: £6.0m).

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 2024-25. The University provided services to CUHP amounting to £4,000 (2024: £16,000) during the year and £4,000 (2024: £nil) was included in debtors at the year end. In addition, services were provided to the University by CUHP during the 2024-25 financial year amounting to £431,000 (2024: £606,000).

Cambridge University Musical Society

A member of the University's Council was Chairman of Cambridge University Musical Society during 2024-25. During the year, the University provided services to the society amounting to £30,000 (2024: £44,000), of which £nil (2024: £7,000) was in debtors at the year end. The society also provided services to the University amounting to £33,000 (2024: £22,000) during the year, of which £nil (2024: £nil) 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 2024-25. During the year, the University received research funding from the Sir Jules Thorn Charitable Trust amounting to £nil (2024: £7,000).

Notes to the financial statements

for the year ended 31 July 2025

38. Related party transactions (continued)

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 2024-25 financial year. During the year, the University provided services amounting to £21.2m (2024: £22.7m), of which £7.7m (2024: £6.6m) was in debtors at the year end. The University made purchases of £17.0m (2024: £18.8m) during the year, of which £2.6m (2024: £3.2m) was included in creditors at the year end. The University also received income from research grants and contracts of £3.6m (2024: £29.5m) during the year, with related debtors of £1.9m (2024: £6.7m) and deferred income included in creditors of £20.8m (2024: £28.0m) at the year end.

Russell Group

A member of the University's Council was a Director of the Russell Group during the 2024-25 financial year. During the year, the University made payments for services to the Russell Group amounting to £96,000 (2024: £93,000).

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 £18.6m (2024: £11.4m) from Cambridge in America, of which £0.3m (2024: £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 £4.5m (2024: £4.7m). During the year, the University also provided services of £14,000 (2024: £4,000) and purchased services of £73,000 (2024: £3,000) from Cambridge in America. Debtors of £3,000 (2024: £4,000) 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 2024-25 financial year. During the year, the University provided services to DEFRA amounting to £37,000 (2024: £10,000).The University also received income from research grants and contracts from DEFRA amounting to £nil (2024: £8,000), of which £17,000 (2024: £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 2024-25 financial year. During the year, the University provided services to the National Audit Office amounting to £1,000 (2024: £13,000), of which £nil (2024: £7,000) was included in debtors at the year end.

Royal Holloway, University of London

A member of the University's Council was an independent member of Council at Royal Hollway, University of London during the 2024-25 financial year. During the year, the University purchased services from Royal Holloway amounting to £300,000.

Notes to the financial statements
for the year ended 31 July 2025

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 £91.2m (2024: £88.9m) 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 £10.2m (2024: £14.1m); 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 £8.1m (2024: £7.6m), and the Colleges provided accommodation, catering, and other services to the University for which the University paid a total of £9.7m (2024: £9.3m). During the year, the Colleges made donations to the University totalling £7.3m (2024: £8.6m).

Current asset investments (Note 26) and Creditors: amounts falling due within one year (Note 28) include CUEF units of £451.0m (2024: £365.1m) held on behalf of 18 (2024: 16) Colleges, £7.8m (2024: £7.5m) held on behalf of the Isaac Newton Trust and £6.1m (2024: £6.6m) held on behalf of other associated bodies.

Creditors: amounts falling due within one year (Note 28) also includes other balances with associated bodies of £5.6m (2024: £4.3m) mainly comprising cash deposits held on behalf of those bodies.

Other debtors includes £18.7m (2024: £18.4m) receivable from Colleges. Other Creditors includes £10.9m (2024: £10.7m) payable to Colleges and £17.0m (2024: £nil) deferred income relating to the sale of a property.

Colleges Fund

	2025 £m	2024 £m
Balance at 1 August	**–**	–
Contributions received from Colleges	**6.6**	5.8
Payments to Colleges	**(6.7)**	(5.8)
Balance at 31 July (included in creditors)	**(0.1)**	–

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 2025, the CUEF had two revolving credit facilities, an uncommitted facility of £200m (2024: £200m) and a committed facility of £120m (2024: £120m), with certain investments of the CUEF provided as collateral for the facilities. 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 2025 £nil (2024: £nil) was outstanding on the credit facilities.

40. Financial risk management (continued)

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.

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:

	2025 £m	2024 £m
Trade debtors: invoices receivable	**171.9**	173.7
Research grants recoverable	**134.2**	131.0
Other debtors	**221.8**	201.8
Money market investments and other current asset investments	**790.6**	542.0
Cash at bank	**216.2**	276.5
Total financial assets exposed to credit risk	**1,534.7**	1,325.0

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.

	2025 £m	2024 £m
Trade and research debtors: outstanding invoices and uninvoiced research grants	**340.3**	345.2
Less: Provision for impairment of receivables	**(34.2)**	(40.5)
	306.1	304.7

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 2025, trade and research grant debtors with a carrying value of £54.4m (2024: £69.3m) were past their due date, but not impaired. The table below provides an ageing analysis.

	2025 £m	2024 £m
Uninvoiced research grants recoverable	**78.9**	77.5
Balances not past their due date	**172.8**	157.9
Up to 3 months past due	**38.2**	42.9
3 to 6 months past due	**12.1**	18.5
Over 6 months past due	**4.1**	7.9
Balances against which a provision has been made	**34.2**	40.5
	340.3	345.2

Notes to the financial statements
for the year ended 31 July 2025

40. Financial risk management (continued)
a Credit risk (continued)
Movement on provision for impairment of receivables

	Trade Debtors		Research Debtors		Total	
	2025 £m	2024 £m	**2025 £m**	2024 £m	**2025 £m**	2024 £m
Opening balance	**11.2**	11.6	**29.3**	27.8	**40.5**	39.4
Provided in year	(1.5)	0.9	–	1.5	**(1.5)**	2.4
Written off during year	(1.0)	(1.3)	(3.8)	–	**(4.8)**	(1.3)
Closing balance at 31 July	**8.7**	11.2	**25.5**	29.3	**34.2**	40.5

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 £272.0m (2024: £301.1m) 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)	**2025 £m**	2024 £m
AAF/S2	**–**	67.3
F1+ / AA Highest / Very High	**–**	–
F1+ / AA- Highest / Very High	**609.8**	301.8
F1 / A+ Highest / High	**199.2**	185.6
F1 / A Highest / High	**67.3**	178.8
F1 / A- Highest / High	**95.9**	0.1
F2 / A- Good / High	**–**	51.9
F2 / BBB+ Good / Good	**25.0**	20.7
F3 / BBB Fair / Good	**–**	0.2
Lower ratings or not rated	**9.6**	12.1
	1,006.8	818.5

Notes to the financial statements

for the year ended 31 July 2025

40. Financial risk management (continued)

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.

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 2025					
Bond liabilities	**6.6**	**14.4**	**83.8**	**705.4**	**810.2**
Secured CUEF borrowings	**–**	**17.4**	**59.9**	**–**	**77.3**
Derivative financial instruments liability positions	**0.2**	**13.8**	**–**	**–**	**14.0**
Investments held on behalf of others	**–**	**464.9**	**–**	**–**	**464.9**
Finance leases	**–**	**0.2**	**0.2**	**0.4**	**0.8**
Other creditors excluding deferred income	**269.3**	**77.6**	**41.7**	**–**	**388.6**
Totals at 31 July 2025	**276.1**	**588.3**	**185.6**	**705.8**	**1,755.8**
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

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

Notes to the financial statements

for the year ended 31 July 2025

40. Financial risk management (continued)

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:

	2025	2024
Pounds Sterling	**48.7%**	52.6%
US Dollar	**44.0%**	41.7%
Euro	**1.3%**	0.5%
Japanese Yen	**2.6%**	2.8%
Other currency	**3.4%**	2.4%
	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.

The following table summarises the significant assets and liabilities exposed to currency risk as at 31 July 2025:

	US Dollar $m	Euro €m	US Dollar £m	Euro £m	Other £m	Total £m
CUEF investment assets excluding currency contracts	**3,557.3**	**268.6**	**2,688.1**	**232.3**	**321.0**	**3,241.4**
CUEF forward currency contracts	**(875.5)**	**(200.8)**	**(661.6)**	**(173.7)**	**(41.0)**	**(876.3)**
Net exposure of CUEF	**2,681.8**	**67.8**	**2,026.5**	**58.6**	**280.0**	**2,365.1**
Exposures outside CUEF:						
Debtors	**53.3**	**27.6**	**40.3**	**23.9**	**33.0**	**97.2**
Cash balances	**26.7**	**10.5**	**20.2**	**9.1**	**72.5**	**101.8**
Creditors including bank and other loans	**(19.3)**	**(10.3)**	**(14.6)**	**(8.9)**	**(35.2)**	**(58.7)**
Forward currency contracts	**(0.4)**	**(0.2)**	**(0.3)**	**(0.2)**	**–**	**(0.5)**
Net exposure	**2,742.1**	**95.4**	**2,072.1**	**82.5**	**350.3**	**2,504.9**

40. Financial risk management (continued)

c (i) Currency risk (continued)

The impact on total recognised gains for the year 2024-25 of additional 10% variations in the principal exchange rates would have been:

10% US Dollar appreciation	**207.2**
10% Euro appreciation	**8.3**

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

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.

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

At 31 July 2025, the University directly held UK Government gilts 3.75% 2052 with a face value of £313.2m and a market value of £242.2m, and UK Government index-linked gilts 0.125% 2048 with a face value of £36.8m and a market value of £33.5m. These gilts are designated as held at fair value through profit or loss. Changes in market interest rates will lead to changes in the fair value of these fixed interest bonds.

At 31 July 2025, the University did not directly hold any corporate or foreign government bonds with fixed interest.

Notes to the financial statements
for the year ended 31 July 2025

40. Financial risk management (continued)

c (ii) Interest rate risk (continued)

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 £641.4m (2024: £641.3m, see Note 29) whereas the fair value of the fixed interest bond liabilities at 31 July 2025 was £401.0m (2024: £460.7m) based on independent valuations. Other financial assets and liabilities are measured at fair value through profit and loss.

The Indexed bond liability is measured at fair value at the balance sheet date based on independent valuations. Although the bond is listed on the London Stock Exchange, the market for it is highly illiquid. The University obtained three independent estimates of market value. These included prices from two independent institutions and the Bloomberg Generic Price (BGN), which is a composite based on executable and indicative quotes from multiple contributors and is considered indicative of available consensus-forming prices. The fair value of the bond was estimated as the average of these three estimates. The range between the highest and lowest valuation was £38.1m (2024: £38.4m), indicating a sensitivity to assumptions of approximately 23% (2024: 21%) of the value.

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.

Notes to the financial statements

for the year ended 31 July 2025

41. Fair value (continued)

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

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 2025	**Level 1 £m**	**Level 2 £m**	**Level 3 £m**	**Total £m**
CUEF:				
Investment Assets	**1,891.2**	**968.9**	**1,552.4**	**4,412.5**
Derivative financial assets	**–**	**13.2**	**–**	**13.2**
Cash and cash equivalents	**272.0**	**–**	**–**	**272.0**
Total CUEF assets	**2,163.2**	**982.1**	**1,552.4**	**4,697.7**
Secured borrowings	**(77.3)**	**–**	**–**	**(77.3)**
Derivative financial liabilities	**–**	**(13.6)**	**–**	**(13.6)**
Net CUEF assets/liabilities	**2,085.9**	**968.5**	**1,552.4**	**4,606.8**
CMAF Units	**524.2**	**–**	**–**	**524.2**
Other investments	**2.7**	**17.2**	**140.0**	**159.9**
Investment properties	**–**	**472.7**	**–**	**472.7**
Money market and other liquid current asset investments	**568.7**	**–**	**–**	**568.7**
Total investment assets at fair value at 31 July 2025	**3,181.5**	**1,458.4**	**1,692.4**	**6,332.3**

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 instruments	–	9.4	–	9.4
Cash in hand and at investment managers	301.1	–	–	301.1
Total CUEF net 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	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 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

Notes to the financial statements
for the year ended 31 July 2025

41. Fair value (continued)

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

	2025 £m	2024 £m
Fair value at 1 August	**1,530.8**	1,426.4
Purchases less sales proceeds	**69.9**	120.0
Total gains	**86.1**	7.4
Transfers from / (into) Level 3	**5.6**	(23.0)
Fair value at 31 July	**1,692.4**	1,530.8

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 2025 is provided below:

	At 1 August 2024 £m	Cash changes £m	Non-cash changes £m	**At 31 July 2025 £m**
Cash and cash equivalents (see Note 27)	479.4	(41.3)	–	**438.1**
Money market and other liquid current asset investments (see Note 26)	339.1	241.9	(12.3)	**568.7**
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	(0.8)	–	–	**(0.8)**
– Secured CUEF borrowings	(77.3)	–	–	**(77.3)**
– Bond liabilities – unsecured 2052 (fixed interest)	(343.4)	–	(0.1)	**(343.5)**
– Bond liabilities – unsecured 2078 (fixed interest)	(297.9)	–	–	**(297.9)**
– Bond liabilities – unsecured 2068 (index-linked, amortising from 2028)	(183.2)	–	14.4	**(168.8)**
Net (debt)/cash	(84.2)	200.7	1.9	**118.4**

Notes to the financial statements
for the year ended 31 July 2025

42. Reconciliation of net debt (continued)

	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)

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 £127.9m (2024: £113.5m), but including the accretion in the value of CPI-linked Bond of £55.2m (2024: £44.9m) 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)	**2025**	2024	2023	2022	2021
Total income	**2,660.0**	2,630.7	2,518.3	2,238.1	2,176.9
Total expenditure	**(2,683.3)**	(2,243.7)	(2,317.9)	(2,320.4)	(2,073.2)
(Deficit)/surplus before other gains and losses	**(23.3)**	387.0	200.4	(82.3)	103.7
Share of operating surplus/(deficit) in joint ventures	**(0.4)**	(0.2)	0.2	0.4	1.4
Gain/(loss) on disposal of fixed assets*	**3.8**	(0.7)	–	7.5	(1.1)
Gain on investments	**320.7**	346.4	3.9	199.0	781.6
Surplus for the year before taxation	**300.8**	732.5	204.5	124.6	885.6
Surplus for the year	**287.3**	726.1	198.9	120.2	883.5
Actuarial (loss)/gain	**(8.4)**	98.6	286.4	596.0	30.0
Other comprehensive (loss)/income for the year	**(4.0)**	(1.1)	(6.3)	1.2	(2.8)
Total comprehensive income for the year	**274.9**	823.6	479.0	717.4	910.7
Represented by:					
Endowment comprehensive income/(expense) for the year	**141.9**	153.0	(7.8)	98.7	445.7
Restricted comprehensive income for the year	**14.0**	37.3	64.1	7.7	129.0
Unrestricted comprehensive income for the year	**119.0**	633.3	422.7	611.0	336.0
	274.9	823.6	479.0	717.4	910.7
Adjusted consolidated statement of comprehensive income					
Surplus for the year	**287.3**	726.1	198.9	120.2	883.5
Add back: Impairment losses	**30.9**	–	–	–	–
Less: gain on investments	**(320.7)**	(346.4)	(3.9)	(199.0)	(781.6)
Less: CPI-linked bond fair value adjustment	**(14.4)**	(13.2)	(85.4)	(182.2)	17.0
Less: USS pension deficit recovery reflected in staff costs	**–**	(344.3)	(75.2)	260.8	6.1
Less: Donation, endowment and capital grant income	**(148.2)**	(189.6)	(182.1)	(95.9)	(221.2)
Add: CUEF income (distribution basis)	**157.3**	151.7	138.2	121.5	116.0
Adjusted operating (deficit)/surplus for the year	**(7.8)**	(15.7)	(9.5)	25.4	19.8

Appendix 1 (continued)

(b) Summary consolidated statement of financial position (£m)	2025	2024	2023	2022	2021
Non-current assets	**8,370.9**	8,285.2	7,858.1	7,714.1	7,217.9
Current assets	**2,046.4**	1,749.9	1,760.7	1,872.9	2,005.2
Total assets	**10,417.3**	10,035.1	9,618.8	9,587.0	9,223.1
Current liabilities	**(1,215.4)**	(1,076.6)	(1,098.9)	(1,099.7)	(993.2)
Non-current liabilities	**(938.6)**	(967.5)	(1,352.2)	(1,794.4)	(2,250.4)
Net assets	**8,263.3**	7,991.0	7,167.7	6,692.9	5,979.5
Income and expenditure reserve – endowment	**2,764.0**	2,622.1	2,469.1	2,476.9	2,378.2
Income and expenditure reserve – restricted	**305.5**	291.5	254.2	190.1	182.4
Income and expenditure reserve – unrestricted	**5,193.8**	5,077.4	4,444.4	4,025.9	3,418.9
Total reserves	**8,263.3**	7,991.0	7,167.7	6,692.9	5,979.5
Net cash/(debt)	**118.4**	(84.2)	(1.0)	105.0	150.3
Less: CPI-linked bond fair value adjustment (cumulative adjustment)	**(127.9)**	(113.5)	(100.3)	(14.9)	167.3
Add: accretion of CPI-linked bond (cumulative adjustment)	**(55.2)**	(44.9)	(34.8)	(25.1)	(15.6)
Adjusted net (debt)/cash	**(64.7)**	(242.6)	(136.1)	65.0	302.0

(c) Summary consolidated statement of cash flows (£m)	2025	2024	2023	2022	2021
Net cash (outflow)/inflow from operating activities after taxation	**24.8**	(58.3)	26.0	92.4	119.2
Net cash (outflow)/inflow from investing activities	**(152.8)**	219.3	(237.3)	(387.0)	405.9
Net cash inflow/(outflow) from financing activities	**57.6**	55.5	1.7	66.7	(77.9)
(Decrease)/increase in cash and cash equivalents in the year	**(70.4)**	216.5	(209.6)	(227.9)	447.2
Cash and cash equivalents at end of the year	**710.1**	780.5	564.0	773.6	1,001.5

For further information contact:

University of Cambridge
Office of External Affairs and Communications

Tel: +44 (0)1223 332300
Email: communications@admin.cam.ac.uk
www.cam.ac.uk/communications

Cambridge in America
Tel: +1 212 984 0960
Email: mail@cantab.org
www.cantab.org

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This information is available in other accessible formats upon request
Email: communicationsresources@admin.cam.ac.uk