

**WEST AND NORTH-WEST CAMBRIDGE ESTATES BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

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Members of the Board

Mr Roger Bright (Chair)

Ms Sara Weller (Deputy Chair)

Ms Naisha Polaine (External member)

Mr Richard Anthony (Regent House member)

Professor Duncan Maskell (Senior Pro Vice-Chancellor for Planning and Resources)

Ms Louise Hardy (External member)

Mr Graham Orton (External member)

Directors

Ms Heather Topel, Project Director, Project Director

Mr Matthew Dawkes, Financial Director

Mr Warren Forsyth, Operations Director

Mr Gavin Heaphy, Construction Director

Mr Brian Nearney, Commercial Director

Nominated Officers

Ms Emma Rampton, (Registrary)

Mr Anthony Odgers, Chief Financial Officer

REPORT OF THE BOARD

The Board presents its report and unaudited financial statements for the year ended 31 July 2018 together with commentary on the main areas of progress, and issues arising, for the project up to 30 October 2018.

2017 saw Eddington, the new district of Cambridge, open, welcoming its first residents, students and retailers to join the already opened and successful University of Cambridge Primary School. Resident numbers increased throughout 2018, the Office for Postdoctoral Affairs opened on the site as did the multi award winning Storey's Field Centre. The Western Edge was opened and public art work provides a focal point in the local square in front of the Centre. The first private residents joined the University staff residents at Eddington, starting to occupy the Hill Athena homes. September 2017, and subsequently September 2018 saw Eddington open its doors to thousands of the wider Cambridge population for Open Eddington, day full of tours, talks, events and opportunities to meet and question the design, construction, artistic and operations teams behind Eddington. The sports pitches and pavilions are proving to be popular with residents and the wider local population. 2018 also saw the first Eddington cycling festival and community sports day.

In the 2017/18 year, Eddington became a fully operational site and new part of the City, as all of the University's development comes to completion and the market housing has started to be occupied. To support this transition a series of operational plans were developed to establish Eddington as a positive and welcoming environment for people to live and work. This includes both facilities management functions to ensure the quality of environment meets the University's aspirations, and also community development support. The focus has been on stakeholder involvement with regular stakeholder groups, and new groups to focus on the emerging community and placemaking opportunities.

1. Principal activities

The Board's principal activity, which is set out in a University ordinance, is to be responsible for:

- i. the management, development, and stewardship of the North West Cambridge Estate (being the University's land and property holdings in the area between Madingley Road, Huntingdon Road, and the M11 motorway); and
- ii. the development and stewardship of the West Cambridge Estate (being the University's land and property holdings in the area bounded by Madingley Road, Clerk Maxwell Road, the Coton Footpath, and the M11).

The North West Cambridge Estate is a mixed use development on a 150 hectare site which will ultimately deliver up to 1,500 houses for private sale, 1,500 houses for University staff, 2,000 units of post graduate accommodation, 100,000 square metres of academic research and development space, a hotel, senior care housing, supermarket and community facilities including a primary school, community centre, health centre, and sports facilities.

The first phase of development includes approximately 700 homes for University and College staff, 700 units for market sale, 325 post-graduate student rooms, a local centre (including food store, shops, primary school, hotel, health centre, community centre), and other related facilities, open space and infrastructure.

The University's intention, in relation to its sustainability objectives, remains consistent with the October 2012 Report to the University's Regent House. These are being realised across the site in a number of ways including a network of cycle paths, a water recycling network and photo-voltaic cells.

The residential development has been delivered to Code for Sustainable Homes Level 5, meaning that domestic energy and water use will be amongst the lowest in the country. Mechanisms for delivering this include commitments to high standards of accessibility, daylighting, insulation and acoustic performance. Non-residential development is being delivered to BREEAM Excellent standards.

North West Cambridge Development's aim is to secure the University's long-term success by providing substantial community facilities, housing and commercial development for the city as a whole. It is and will continue to provide the living and research accommodation needed to enable the University to grow its research capabilities and to retain its world class position. It will encourage substantial investment in the city of Cambridge and will help the University to recruit and retain the best staff and students from around the world.

The University has been looking to develop the West Cambridge site since the mid twentieth century. Over the years, the West Cambridge site has sought to meet academic needs and is now, with an outline planning application submitted, seeking to secure new commercial research opportunities.

2. Business review for the North West Cambridge Development

Development at North West Cambridge has provided the University with the unique opportunity to establish a new urban quarter of Cambridge. Eddington is different from most other housing developments in Cambridge because its aim is to secure the University's long-term success by providing substantial community facilities, housing and commercial development for the city as a whole. It is and will continue to provide the living and research accommodation needed to enable the University to grow its research capabilities and to retain its world class position. It will encourage substantial investment in the city of Cambridge and will help the University to recruit and retain the best staff and students from around the world.

Eddington will help the University to maintain its global research profile through the provision of affordable and suitable accommodation for University and College staff (primarily postdoctoral researchers), extensive academic and commercial research floor space, accommodation for post-graduate students and local centre facilities to support the new community. The development is also providing significant housing and facilities for the City more generally.

The first phase of development provides almost half the ultimate residential accommodation, as well as local centre facilities to help establish a quality of place and sense of community from the outset. Authority from Regent House to proceed with the first phase was sought in October 2012 and granted in January 2013. An extension to the first phase was subsequently granted in November 2014, and the first phase was comprehensively re-baselined in March 2016. The University's construction for phase 1 is reaching a conclusion: the key worker housing will all be handed over from the construction stage by the end of 2018. This will total approximately 700 homes for University and College key workers, 325 post-graduate student rooms and about 700 market residential units (which will be delivered by residential developers and occupied over the following years), a local centre (including food store, shops, primary school, doctors' surgery and community centre), and other related facilities, open space and infrastructure.

Throughout this time, the Board and, previously, the Syndicate, mobilised a design and construction team to deliver the first phase and realise the aspiration of the Development. A project of the size and complexity of the North West Cambridge Development presents significant challenges in its delivery. The University Council is regularly appraised of issues as they arise, as well as mitigation strategies to reduce the impact of these issues, through quarterly reports presented by the Chair of the Board and the Project Director. Since June 2016, uncertainties resulting from the UK Referendum outcome have given rise to potential changes in the financial outcomes of the development, in particular the land transfer model for market housing, which are being carefully monitored and mitigated where possible.

Notwithstanding these challenges, the development of Eddington continues to achieve the strategic aims set for the development by the University.

2.1 Key worker housing

Key worker housing for University and College staff forms the basis of the University's development in the first phase, with approximately 700 units comprising one, two and four bedroom (shared) flats. All of these homes are let on a subsidised rental basis to qualifying employees through the Board's trading arm, Lodge Property Services. Demand has been high for the one bedroom apartments, matching expectations and market demand. Due to staff needs and demand, the two bedroom properties will fill over time. Residents' feedback on their experience of moving into Eddington and living there has been an overwhelmingly positive one. There has been a pronounced focus on the move from construction phase to an

operating and living community. The Operations team has mobilised and flexibly responded to the increase in numbers and demands from residents.

The Office of Postdoctoral Affairs, which has been established to provide an academic, administrative and pastoral focus for the postdoctoral community, has a base at the Postdoc Centre at Eddington, which opened in September 2017.

The Board and Executive Team are seeking to provide exemplar architecture and engineering that fulfil the sustainability and quality aspirations of the North West Cambridge Development Vision.

2.2 Student accommodation

The first phase includes 325 student en-suite rooms for post-graduate students, in a complex called Swirles Court. Girton College began moving postgraduate students into Swirles Court in September 2017, and Swirles Court has been fully occupied since the start of the 2017 academic year.

2.3 Local centre facilities

Primary School: The University of Cambridge Primary School is the country's first primary-level University Training School, is linked with the Faculty of Education for teaching and research purposes, and will be a centre for teacher training. In 2018 the school started its fourth year of operation, and secured an Ofsted rating of Outstanding in all areas.

University Nursery: The Eddington Nursery was completed in 2018 and handed over to the operator, Bright Horizons, who accepted the first children into the nursery in October 2018. The nursery will contribute to reducing pressure on the University's waiting list for nursery places by providing a substantial number of spaces for University staff, as well as spaces for the general public. This is in addition to statutory early years' provision for 3 and 4 year olds which will be provided at the primary school.

Community Centre: The Storey's Field Centre opened in January 2018, providing community and performing arts facilities for the new and existing community. The Centre is now fully staffed and operating 7 days a week including evening performances and events. The first wedding receptions have been held in the Centre as well as regular yoga classes and parent/toddler sessions. The official opening was marked with a Children's flag parade involving children from four local primary schools. The management of the Community Centre is through a joint venture between the University and City Council, the Storey's Field Community Trust. The Trust oversees the Centre management and has actively monitored the building programme, branding, Centre staff recruitment and Centre opening and offer. The building has won numerous awards and was shortlisted for the prestigious RIBA Stirling Prize.

Local Centre Retail: The supermarket, Sainsbury's, opened in 2017. It, along with Argos, is a welcome addition to the local centre, bringing facilities and a vibrancy to the site and local neighbourhoods. A local centre retail strategy has been agreed and tenants are being secured for the other retail units, planned for opening in spring/summer 2019.

Hotel: A hotel will form part of the later delivery of facilities within the first phase of development. The response from the market has confirmed a larger scale hotel than previously envisaged, with serviced apartments to provide an expanded range of options to site visitors. The hotel will include a range of amenity facilities that will be open to both hotel visitors and wider development residents and visitors, including a restaurant and bar. Key terms have been agreed with a preferred hotel developer which, subject to contract and planning, will see the delivery of a hotel with an internationally recognised brand. The Quality

and Sustainability Panel continue to play a key role in ensuring the design of the hotel meets University expectations.

Senior Care: A good level of interest is being shown by owners/operators of senior care facilities through an on-going consultation process. The brief for the senior care facility has been developed with inputs from the Cambridge Institute of Public Health. Separate from the senior care facility, it is expected that the health care provider for the Eddington Health Centre will be selected by the NHS ready for opening in 2019.

2.4 Market housing

The first phase of development includes a number of sites for market housing development. The first market housing to be delivered on site is by Hill, which has launched the Athena development for the first 240 sale homes. The show home and marketing suite opened in September 2017 and first completions and occupations occurred in 2018.

2.5 Sustainability

The University's intention, in relation to its sustainability objectives, remains consistent with the October 2012 Report to the University's Regent House. These are being realised across the site in a number of ways including the provision of a site-wide district heating system, a network of cycle paths, a water recycling network and photo-voltaic cells on the roofs of buildings. The Ridgeway cycle path connecting Girton to the City Centre fully opened during the past year.

The residential development is being delivered to Code for Sustainable Homes Level 5, so that domestic energy and water use will be amongst the lowest in the country. Mechanisms for delivering this include commitments to high standards of accessibility, daylighting, insulation and acoustic performance. Non-residential development is being delivered to BREEAM Excellent standards. For Lot 7, the Community Centre, the University's sustainability requirements have been exceeded as the building has received a Design Stage BREEAM certification of outstanding. As considerations develop for Phase 2, alternative targets to deliver the University's sustainability objectives are being considered, to ensure that the overall development aims are being achieved.

2.6 Public art

The Public Art Strategy completed its fifth year of implementation, and the Artists-in-Residence programme generated interest and activity on the site.

Permanent works in the first phase include the "Fata Morgana Teahouse" and "Pixel Wall", designed by Winter + Hoerbelt that is located in the landscaped Western Edge, and David Batchelor's piece "Richard of York Gave Battle in Vain" that reflects Newton's light spectrum is situated in the community square. The Public Arts Panel has extended its remit to consider the public art on the West Cambridge site.

2.7 On-site Construction activities

Extensive progress has been achieved on the development site over the last year, with all lots except one building completed and handed over for occupation, a safe project environment established and over 6.3 million hours of work delivered on site, with in excess of 1,200 people working on site at peak activity.

Significant change has been seen across all of the building lots over the period, including the following major milestones:

- The District Heating Network has been activated and is supplying heat and hot water to the residential units, University of Cambridge Primary School, Postdoc Centre, Eddington Nursery and Storey's Field Centre.

- The Community Centre has achieved a BREEAM Design Stage Certification of Outstanding, which exceeds the BREEAM Excellent requirements of the site, has been handed over and is open to the public.
- Lots 1, 3, 5, 6, 7 & 8 are completed. Lot 2 (264 key worker apartments), which commenced in November 2015, has achieved sectional completion and has its first residents.
- Lot 5, 325 postgraduate students, is now in the possession of Girton College and fully occupied.
- The retail units are ready for tendering and in the meantime, a strategy is being developed for interim uses.
- The first phase of the water recycling network has been delivered through creation of a network of swales and ditches, a two stage channel and lake in the Western Edge of the development and an extensive network of water pipes to deliver the water across the site.

Construction costs, contingency spends, claims and close-out of contracts is all closely monitored and within expected budgets.

As part of early preparatory works for Phase 2, an archaeological dig has uncovered a Roman Villa and out-building on the site, which will continue to be excavated and documented throughout the coming months. Public digs and the Open Eddington engagement were well received.

2.8 Operations

As the site transitions from a construction site to an operational development, a number of structures and processes have been implemented to support the establishment of the new community. An Operations Director was appointed in early 2016, and has created a full operations team, now situated in Eddington at the Estate Management Office. The Total Facilities Management Contractor, Mears, have commenced operations in October 2016 and have call-off contracts with the school, Postdoc Centre and Storey's Field Centre. The Operations Director is also actively working with the Centre Manager for the Storey's Field Centre to support community development initiatives in the early stages of occupation.

Operations of the site are being delivered through a number of subsidiary companies: Portal Estate Management Services is responsible for the building and site maintenance of the University controlled areas. Lodge Property Services manages all tenancies. Core Sustainable Heat Management oversees the activities of the Energy Centre, including the metering and billing of heat and hot water usage. These Companies have been established, registered with Companies House and the recruitment of the full complement of directors, including external expert directors, has been achieved. The Company Boards meet regularly throughout the year and report into the Board and Risk and Audit Committee.

2.9 Phase 2 of North West Cambridge

In April 2015 the University Council agreed to progress with investigation of the content, scope and funding models for a second phase of development, with the intention that the case for a second phase could be taken to the Regent House for approval. The full range of options have been considered by the University Council (in April 2017 and again in September 2017) ready for the Concept Case for Phase 2 to be presented to the Council, and then Regent House, in early 2019. The timetable for the Phase 2 approval process is in place, with approval from the Council and Finance Committee (July 2018). Market research has been undertaken and alternative delivery options assessed. A warrant was approved for the Phase 2 infrastructure design and the procurement of the team has been concluded for key appointments. The business case will consider both qualitative and financial success criteria for the second phase.

2.10 *The Next Year*

2018/19 will continue with the growth of Eddington, including occupations of key worker housing alongside new residents moving into private residences. The construction of the University accommodation for Phase 1 will be completed. The development project will work on the Concept Case and Full Case for phase 2, including lessons learnt from Phase 1, trade-offs, market and consumer research in the proposals for the Board to make a recommendation to the Council and ultimately Regent House.

A challenging private market and uncertainties in relation to Brexit will continue to impact on the development if slow market conditions affect the timely delivery of the market housing and land receipts.

3. Financial Review

2018 has seen the development move into operation, with the majority of key worker units being handed over to the Lodge team for occupation. Whilst being constructed the units have been classified as "Assets in the course of construction", and upon completion they have been transferred into Investment Property. As part of the year end process, the North West Cambridge asset was internally valued using a cash flow forecast and capitalisation of residual assets in 2025. The valuation of the scheme was conducted in-house. The remaining land elements of North West Cambridge (outside of Phase 1) were also valued with extensive input from external advisors. The combined value of the North West Cambridge development was valued at £327 Million (this has been audited by the Universities external auditors). The valuation is likely to move significantly year on year. Valuing the scheme at this level has resulted in a downwards revaluation of £50.4 Million which has been taken through the profit and loss account.

The project is reviewed against specific financial KPIs, including internal rate of return, net present value and peak borrowing requirement. The KPIs are heavily dependent on the rental income from the key worker housing. The original rental model governing the amount of rent to charge tenants was complex and opaque and proved to be very difficult to manage at an operational level. Agreement was obtained with the City Council for a refined, simplified rental model to supply affordable housing to staff members. The forecasts have been updated to reflect the revised rental model and revised forecast assumptions that were being incorporated into the planning for Phase 2, including assumed rental income increases with scenarios at both 2.5% and 3.5%.

The activities of the Board have to date been funded through monies made available by the University and land sales. A Department for Education grant of £3.3m has part funded the new school on site. To 31 July 2018, the Board had utilised £380m of its University facility.

4. Business review for the West Cambridge Development

In March 2014, the Planning and Resources Committee established a warrant to allow for detailed masterplanning and working up of a new planning application for the West Cambridge site.

West Cambridge is the University's opportunity to establish a world-class, well connected research and development environment focused on the physical sciences and technology that benefits Cambridge, the region and the UK – one that provides facilities that help the University to retain its globally competitive position by continuing to attract and retain the world's best academics and researchers, as well as one that supports entrepreneurship and collaboration with industry.

The masterplanning and intensification proposals for the West Cambridge site are underway. The new proposals allows for over 190,000sq.m. of additional academic development and 155,000sq.m. of commercial research development. The development proposal includes:

- new academic faculty and research facilities, and buildings for commercial research organisations and research institutes;
- expansion of the existing Sports Centre;
- additional nursery provision;
- additional amenities for site users;
- an energy strategy to support sustainable energy across the site;
- new and improved open spaces including a linear park and sustainable urban drainage systems;
- extensive sustainable transport measures, including new and improved pedestrian and cycle connections, additional bus routes, implementation of a site-wide travel plan, and co-ordination with the City Deal proposals;
- vehicular access principally from Madingley Road, and new multi-storey car parks
- a shared facilities hub.

The site-wide proposals facilitate the redevelopment of the Cavendish Laboratory, which has secured planning permission and started on site, and integration of the Department of Engineering onto the West Cambridge site (including the new Civil Engineering Building, which is under construction).

The masterplanning for the West Cambridge site was directed by the West Cambridge Site Development Board (WCSDB), which reported both to the Planning & Resources Committee and the West and North West Cambridge Estates Board. To ensure more integrated oversight by the Board, the WCSDB was disbanded in July 2017 and replaced with an Academic Board. The strategic and infrastructural aspects of West Cambridge now sit with the Board.

The Board will be looking to ensure as far as practicable that the development of both the North West and West Cambridge sites is complementary and that the scope for synergies is realised. There has been a focus on drawing in and unifying the West site with the North West site through the Academic Board and the newly created Commercial Research Strategy Working Group. The Commercial Research Strategy Working Group, including external members and the Pro Vice Chancellor for Enterprise and Business Relations and the Pro Vice Chancellor for Research is developing a strategy across both sites that will be presented for approval to the Board in early 2019.

5. Governance and Risk Management

The Board was established by Ordinance¹ and succeeds the Syndicate. The Board meets bi-monthly, with an appointed external Chair. The Board are supported by an Executive team, including a full time Project Director and Financial Director, and a Head of Corporate Governance, as well as Directors individually responsible for Construction, Commercial activities and Operations. The Executive team is responsible for operational matters within the strategic context set by the Board. The Board operates within budgets which are approved by the University's Finance Committee and is required by Ordinance to produce an annual report and accounts covering its activities.

Governance Review

A project of the size and complexity of the North West Cambridge Development will present presents significant challenges in its delivery. An extensive audit was undertaken by a sub-committee of the University's Audit Committee in late 2015 and early 2016. This culminated in two reports that confirmed the project will still achieve the strategic aims set by the University but also made a number of recommendations as to the future governance and management of the North West Cambridge Development as well as other major University projects.

Considerable progress has been made in implementing the recommendations of the Audit Group reports, including a review of the reporting arrangements between the Board and other University bodies, appointment of a new Chair of the Board, appointment of a full-time Finance Director, review of the membership of the Board, transition of the Syndicate to a Board and, significantly, re-baselining of the entirety of the Phase 1 proposition to reflect appropriate consideration of inflation, contingency requirements, and market conditions. The transition from Syndicate to Board was changed by Ordinance in August 2016. New Board members have been recruited in early 2017 and new external expert members continue to be considered for extra skills and succession planning. The Board continues to monitor the three outstanding recommendations from the Audit Group Reports that are within its control, two of which are becoming reliant now as the Phase 2 proposal is formulated. The implementation progress is also regularly reported to the University Council.

The governance arrangements for the project now include a Risk & Audit Committee, which specifically reviews construction, income and operational risks to the project on a quarterly basis, as well as receiving deep dive reviews of specific pertinent or emerging risks. The Risk and Audit Committee also provides oversight to the trading subsidiary companies. The University's internal auditors, conduct internal audit reports on specific aspects of the project and present their findings to the Risk & Audit Committee. The Chair of the Board also reports formally to the Council on a quarterly basis. The Quarterly reports to the Council focus on KPI performance, including financial metrics. The impact of varying rental increases is a key financial metric.

¹ Page 135, Statutes and Ordinances of the University of Cambridge

6. Scope of Accounts and Audit Status

The accounts include only income and expenditure arising on the development of the North West Cambridge site. Income arising from existing buildings on the West and North West Cambridge sites is reported separately to the University via its Estate Management Division. Similarly income and expenditure associated with the University Farm in this area is included in the accounts of the University Farm. There is no requirement to report income and expenditure associated with academic departments as this lies outside the ambit of the Board. All of the income and expenditure mentioned above, including that attributable to the Board, is included within the audited accounts of the Chancellor, Masters and Scholars of the University of Cambridge.

There is no requirement to undertake a formal external audit of these accounts, which do not constitute statutory accounts.

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to read 'R Bright', is written over the printed name below.

Mr R Bright, Chair

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 2018

	Note	2018	2017
		£000's	£000's
Turnover	1	-	3
Cost of Sales		-	-
Gross profit		-	3
Administrative expenses		(992)	(864)
Rental income		3,004	-
Operating result	2	<u>2,012</u>	<u>(861)</u>
Revaluation		(50,428)	-
Result on ordinary activities before taxation		<u>(48,416)</u>	<u>(861)</u>
Interest		-	-
Result for the financial period		<u>(48,416)</u>	<u>(861)</u>

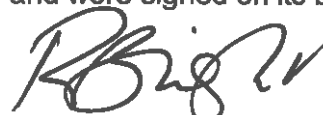
All results derive from acquired and continuing operations.

There are no differences between the profit for the financial period and its historical cost equivalent.

BALANCE SHEET AS AT 31 JULY 2018

	Note	2018 £000's	2017 £000's
Fixed Assets			
Tangible Assets	4	344,207	362,775
Current Assets			
Debtors	5	1,622	260
Cash at bank (held by the University of Cambridge)		27,016	4,677
		<u>28,638</u>	<u>4,937</u>
Creditors: amounts falling due within one year	6	(9,137)	(15,588)
Net current (liabilities)/assets		<u>19,501</u>	<u>(10,651)</u>
Net assets		<u>363,708</u>	<u>352,124</u>
Financed by			
Loan (from the University of Cambridge)		380,000	320,000
Investment of Equity (from the University of Cambridge)		24,291	24,291
Grant for the Department of Education		3,301	3,301
Profit and loss reserve		(43,884)	4,532
Total finance	7	<u>363,708</u>	<u>352,124</u>

The financial statements on pages 14-18 were approved by the Board on 15-01-19 and were signed on its behalf by:


Mr R Bright
Chair

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

Accounting policies

a) Basis of preparation

The financial statements include only income and expenditure arising on the development of the North West Cambridge site.

b) Basis of accounting

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Board's financial statements except as noted below.

The financial statements have been prepared in accordance with the historical cost convention.

c) Tangible fixed assets

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset on a straight line basis as follows:

Freehold buildings 2% - 5%

Freehold land is not depreciated.

Where there is an indication that the carrying amount of a fixed asset may not be recoverable, an impairment review will be carried out in accordance with the requirements of FRS11, "Impairment of Assets". If the carrying amount is higher than the recoverable amount, the asset will be written down accordingly.

1. Turnover	2018	2017
	£000's	£000's

An analysis by geographical market is set out below:

United Kingdom	-	3
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2. Operating Result

Operating result for the financial period is stated after charging

Utilities for properties		
Council tax for properties		
Rent for Trinity gas field		
Depreciation	812	859

3. Employee information

Wages and salaries	1,718	1,673
Social security costs	212	207
Pension costs	384	351
	<u>2,314</u>	<u>2,231</u>

The average number of persons employed by the Board during the year expressed as full time equivalents, was 16 (2017:16)

These costs are carried forward in the costs of tangible fixed assets.

4. Tangible Fixed Assets	Land and Buildings	Assets in Construction	Investment	Grand Total
	£000's	£000's	£000's	£000's
Cost				
At 1 August 2017	19,502	344,978	-	364,480
Additions at cost	-	32,672		32,672
Transfers		(377,650)	377,650	-
Revaluation			(50,428)	(50,428)
Interest				
At July 2018	<u>19,502</u>	<u>-</u>	<u>327,222</u>	<u>346,724</u>
Accumulated Depreciation				
At 1 August 2017	1,705	-	-	1,705
Charge for the year	812	-	-	812
At 31 July 2018	<u>2,517</u>	<u>-</u>	<u>-</u>	<u>2,517</u>
Net Book Value				
At 31 July 2018	16,985	-	327,222	344,207
At 31 July 2017	17,979	344,978		362,775

5. Debtors

	2018	2017
	£000's	£000's
Prepayments and accrued income	1,622	260
	<u>1,622</u>	<u>260</u>

6. Creditors: amounts falling due within one year

Trade Creditors	2,635	7,978
Other Creditors	6,502	7,610
	<u>9,137</u>	<u>15,588</u>

7. Reconciliation of movement in financing	2018	2017
	£000's	£000's
Opening financing	352,124	247,985

Result for financial year	(48,416)	(861)
Additional loan financing	60,000	105,000
Closing financing	363,708	352,124

8. Ultimate parent undertaking and controlling party

The Board is a constituent part of the University of Cambridge. It is governed by the Statutes and Ordinances of the University. The results of the Board are consolidated into the financial statements of the University of Cambridge, which are published in the *Cambridge University Reporter*.