UNIVERSITY OF CAMBRIDGE

REPORT OF THE MANAGING COMMITTEE
AND
ACCOUNTS OF THE ASSISTANTS' CONTRIBUTORY PENSION SCHEME
FOR THE YEAR ENDED 31 JULY 2013

TRUSTEES OF THE SCHEME AND MANAGING COMMITTEE

The Contributory Pension Scheme was established under the authority of the Oxford and Cambridge Act 1923.

The Trustees of the Scheme are CU Pension Trustee Ltd acting through the Managing Committee of the Contributory Pension Scheme. The procedures for appointment and removal of Managing Committee members can be obtained, on request, from the Pensions Office.

The Managing Committee has prepared a Statement of Investment Principles in accordance with the Pensions Act 1995 and copies are available, on request, from the Pensions Office.

The Managing Committee is also responsible for the working and control of the Scheme.

SCHEME REGISTRATION

The Scheme is registered with The Pensions Regulator. The Scheme's registration number is 101147703.

SCHEME MANAGEMENT AND ADVISERS

The Managing Committee during the year was composed as follows:

Appointed by the Finance Committee

Dr R Hinkley (Christs College) (to 10 July 2013)
Mrs J Rippeth (from 10 July 2013)

Appointed by Council

Mrs J Rippeth (UCLES Group)(to 10 July 2013)
Mr I Seehra (Director of Human Resources)
Mr D P Hearn (Clare College)
Professor S Young (Pro-Vice Chancellor)

Elected by a ballot of active members

Mr W Smith (University Computing Service)

Elected by a ballot of retired members

Mr D Appleby (to 23 February 2013)
Mr W Galbraith (from 5 July 2013)

Appointed by Trades Unions

Mr G Cross – UNISON
Mr P Stokes (Department of Materials Science and Metallurgy) – Unite the Union

SCHEME MANAGEMENT AND ADVISERS *(continued)*

The Investments Committee during the year was composed as follows:

Appointed by the Managing Committee

Mr D P Hearn (Chairman)
Dr D Chambers (Judge Business School)
Mr B Wrey
Mr S Leathes
Mr N Cavalla (University Investment Officer)

The Scheme's professional advisers during the year were as follows:

Legal Advisers: Mills & Reeve LLP

Actuarial Advice: Cartwrights Consulting Ltd

Auditors: Peters Elworthy & Moore

Investment Managers:
F & C Management Ltd
Majedie Asset Management Ltd
State Street Global Advisors
Genesis Investment Management, LLP
Loomis Sayle & Co
Payden & Rygel
Pacific Alternative Asset Management Company (to 30 October 2012)
Black Rock Alternative Advisors
UBS Global Asset Management
Och Ziff (from 30 October 2012)
Credit Suisse Asset Management (from 5 February 2013)

Investment Consultant: AONHewitt

Global Custodian: Bank of New York

REPORT OF THE MANAGING COMMITTEE FOR THE YEAR ENDED 31 JULY 2013

The audited accounts for the year ended 31 July 2013, a copy of which is included with this report, show that the Scheme's net assets now stand at **£466,128,857.**

INVESTMENTS

The Investments are monitored by the Investments Committee, which met four times during the year to determine policy.

The day to day management of the Fund is carried out by F&C Management, Majedie Asset Managers, State Street Global Advisors, UBS Global Asset Management, Genesis, Black Rock Alternative Advisors, Pacific Alternative Asset Management Company (to 30 October 2012), Loomis Sayle, Payden & Rygel, Och Ziff (from 30 October 2012) and Credit Suisse Asset Management (from 5 February 2013). These managers report regularly to the Investments Committee which is advised by AonHewitt.

The total investments of the Scheme were £459.6m at 31 July 2013 compared with £363.7m at the previous year-end. During the year the gain on the Scheme's investments amounted to £64.8m. After adding net income from dealings with members of £23.1m the net increase in the fund during the year was £87.9m. The total return for the year was 16.1% and for the last three years was 9.9%, significantly ahead of the target return of 6.9%.

Investment objectives

The Scheme's Statement of Investment Principles sets out the investment objectives as follows:-

The overall financial and investment objective of the Portfolio is to meet the pension liabilities of the Scheme's members. The specific long term investment objectives of the Portfolio are:-

- To attain a real total return[1] (net of investment management fees) sufficient to preserve the funding status of the Scheme, and to enhance the funding status should the Scheme be under-funded;

- To obtain annualised returns in line with the Portfolio's blended benchmark for the target asset mix selected by the Investment Committee (see Asset Allocation below), measured over a five year period.

Asset Allocation

The Scheme's long term strategic asset allocation is as follows:-

Asset Class	Target Allocation
UK Equity	30%
Overseas Equity	25%
Emerging Markets Equity	5%
Property	15%
Bonds	17%
Hedge Funds	8%
Cash	0%
Total	**100%**

[1] Real total return is the sum of realised and unrealised capital appreciation (or loss) and current income in the form of dividends and interest, adjusted for inflation as measured by the Retail Price Index.

INVESTMENTS *(continued)*

ASSET ALLOCATION OVER TIME

Percentage of Total Assets	31/07/2012	30/09/2012	31/12/2012	31/03/2013	31/07/2013	Market Value as at 31/07/2013
Equity						
U.K.	30.2	29.4	29.7	30.2	30.6	£140,878,146
Global ex U.K.	24.7	24.1	24.2	24.7	25.0	£115,022,797
Emerging Markets	6.3	5.9	6.2	6.1	5.4	£24,907,709
Property	10.1	9.4	8.5	7.8	7.5	£33,637,951
Bonds	12.8	12.1	11.7	15.5	14.4	£66,316,072
Hedge Funds	13.3	12.6	12.2	11.9	11.7	£53,841,639
Cash	2.7	6.5	7.5	3.8	5.4	£25,000,000
TOTAL ASSETS	**100%**	**100%**	**100%**	**100%**	**100%**	**£459,604,314**

Asset allocation includes cash held as this is earmarked for investment.

Manager Allocations and Performance

The asset classes are managed by nine different fund managers to provide additional diversification benefits.

A summary of the managers' activities is as follows:

- **State Street Global Advisors:** The assets held with State Street are invested in their UK Equity Index, which had a market value of £91.4m as at 31 July 2013.

  SSgA's benchmark is the FTSE All-Share Index and the target is to match the benchmark. During the year SSgA matched the benchmark return of 24.3%.

- **Majedie Asset Management:** The assets held with Majedie are invested in their high alpha fund called the UK Equity Services, which had a market value of £49.5m as at 31 July 2013.

  Majedie's benchmark is the FTSE All-Share Index and the target is to outperform the benchmark. Over the year Majedie returned 35.7% outperforming the benchmark of 24.3% by 11.4%.

- **UBS Global Asset Management:** The assets held with UBS are invested in their passively managed funds, which had a market value of £115m as at 31 July 2013. Approximately 79.3% of the funds invested with UBS are invested in currency hedged equity funds.

  The funds held are as follows: 8.9% UBS Life USA Equity Tracker, 5.8% UBS Life Europe Ex UK Equity Tracker, 4.1% UBS Life Japan Equity Tracker, 2.1% UBS Life Pacific Ex Japan Equity Tracker, 32.8% UBS Life USA Equity Hedged Tracker, 24.8% UBS Life Europe Ex UK Equity Hedged Tracker, 14.1% UBS Life Japan Equity Hedged Tracker and 7.4% UBS Life Pacific Ex Japan Equity Hedged Tracker.

UBS's benchmarks reflect the equity markets in each overseas region and they have achieved their target of matching the benchmark index performance in each region.

- **Genesis Asset Management:** The assets held with Genesis are invested in their Genesis Emerging Markets Fund, which had a market value of £25m as at 31 July 2013.

  Genesis' benchmark is the MSCI Emerging Market Index and the target is to outperform the benchmark over rolling 3-year periods. Over the year Genesis returned 9.5% outperforming the benchmark of 5.7% by 3.8%.

  Genesis Investment Management is a specialist investment manager for Emerging Markets. Genesis' investment approach is long-term. The currency exposure within this mandate is not hedged back to Sterling.

- **F&C Management Ltd:** The assets held with F&C are invested in their Property Fund, which had a market value of £34.4m as at 31 July 2013. The foreign currency exposure in this fund is not hedged back to Sterling.

  F&C's benchmark is the UK Investment Property Databank (IPD) and their target is to outperform the benchmark by 1% p.a. for UK holdings. For European holdings, the benchmark and target is to outperform the IPD Pan European Pooled Property Fund Index (adjusted for the UK returns).

  This fund is a fund of property funds and is currently invested in 10 UK property funds and 3 European property funds.

  The UK funds returned 1.7% underperforming the benchmark by 1%. The benchmark for the European holding is produced at six monthly intervals, the latest available 31 March 2013. For the year ending 31 March 2013, the European portfolio returned -19.8%,underperforming the European benchmark (IPD Pan European Property Fund Index) by 21.7%.

- **Och Ziff:** The assets held with Och Ziff are invested in the OZ Overseas Fund II and had a market value of £26.2m as at 31 July 2013. The fund is US Dollar denominated.

  Och Ziff's target is to outperform the 3-month Sterling LIBOR rate by 6% net of fees. Over the nine months since inception (30 October 2012) the fund has returned 15.9% outperforming the index by 11%.

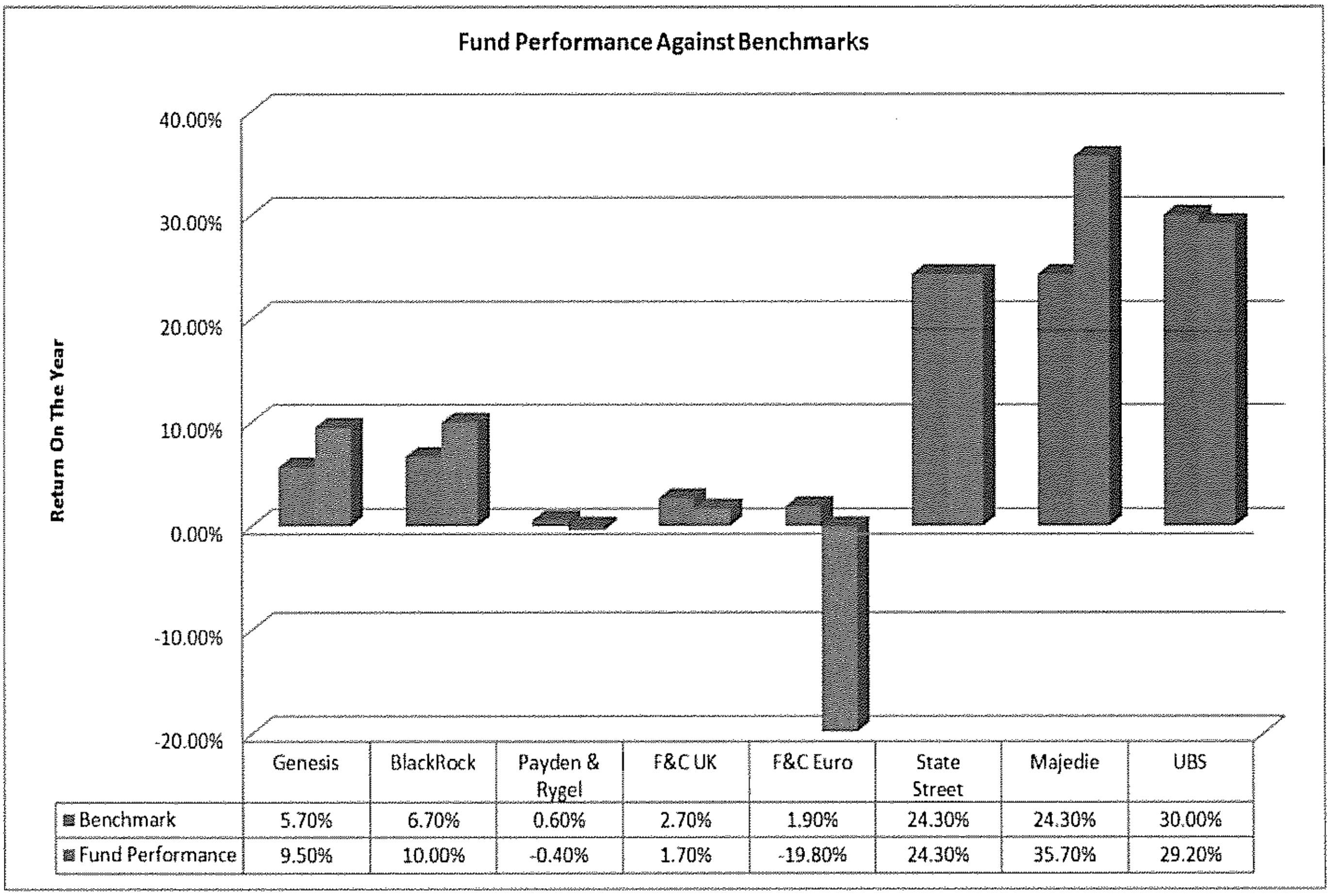
- **Black Rock Alternative Advisors:** The assets held with BlackRock are invested in their Absolute Return Strategies, which had a market value of £27.6 as at 31 July 2013. The currency exposure in this fund is hedged back to Sterling.

  Black Rock's target is to outperform the 3 month Sterling LIBOR rate by 6% net of fees. Over the year Black Rock returned 10.0% outperforming the benchmark of 6.7% by 3.3%

- **Payden & Rygel:** Approximately £46m is invested with Payden & Rygel, a US-based manager with a global bond mandate, hedged to sterling. The intention is to allow the Scheme to benefit from the opportunities available in the global bond markets while maintaining a focus on high quality government holdings. Over the year Payden & Rygel returned -0.4% underperforming the benchmark of 0.6% by 1.0%. In April 2013, the bond mandate manged by Loomis Sayle, totalling £13.5m, was transferred to Payden & Rygel.

- **Credit Suisse Asset Management:** The assets held with CSAM are invested in their Credit Suisse Nova (Lux) Global Senior Loan Fund, which had a market value of £20.3m as at 31 July 2013.

  The currency exposure in this fund is fully hedged back to Sterling. CSAM employs a bottom up approach to investing in loans, and is allowed the discretion to invest across the capital structure and globally.
  CSAM's benchmark is the Credit Suisse Leveraged Loan Index and the target is to outperform the benchmark. Since 5 February 2013 the fund has returned 2.2% against a benchmark of 2.7%.



Investment return against the benchmark not shown for Och Ziff and Credit Suisse as investment placed during the year.

Overall the Scheme's assets have outperformed the benchmark for the year to 31 July 2013.

In September 2012 the Investment Committee took the decision to disinvest the hedge fund allocation held by PAMMCO and place this with Och Ziff. This transfer took place on 1 November 2012. The Committee decided to place £20 million with Credit Suisse Asset Managers in their Bank Loans fund from February 2013 and moved the bond holding with Loomis Sayle to Payden & Rygel which was completed in April 2013.

The return from the Property portfolio held by F&C has been disappointing, particularly the European holdings. With little prospect of capital growth in the fund for the foreseeable future the Investment Committee are actively seeking ways to improve the performance.

The Committee believes that the present asset allocation with its wide diversification is appropriate for the long term. The asset allocation remains the key to successful investment performance and because the Scheme's liability profile extends for almost 20 years, the Committee takes a very long term view looking for a total investment return of 6.9%.

The recent investment performance has been substantially above the target of 6.9% as shown below, together with the impact of RPI inflation for the years ending 31 July:

	2009	2010	2011	2012	2013
Total return	**-5.1**	**17.1**	**9.5**	**4.1**	**16.1**
RPI	**-1.4**	**4.8**	**5.0**	**3.2**	**3.1**

RULE CHANGES

The scheme's benefit structure changed on 1 January 2013.

1. The main changes were that the scheme will provide career average benefits for service after 31 December 2012 instead of final salary benefits.

2. Existing members on 1 January 2013 will receive better career average benefits than joiners after that date. The accrual rate for existing members will be 95^{ths} for the five years to 31 December 2017 plus a retirement lump sum of 3 x the starting pension [*Rule 52.6 read with the definitions of Annual CRB Pension, CRB Revaluation Percentage, Revalued Annual CRB Pension and Total Revalued Annual* CRB *Pension in Rule 1. The retirement lump sum is covered in Rule 57.7(b)*]. The accrual rate will drop to 100^{ths} plus the retirement lump sum on 1 January 2018 [*Annual CRB Pension paras (a)(ii)(B) and (iii) and Rule 57.7(b)*]. These rates will be a reduction from 60^{ths} for pre-December 2009 members [*Rule 52.2*] and 80^{ths} plus a 3/80^{ths} retirement lump sum for post-December 2009 members [*Rules 52.5 and 57.7(a)*]. The contribution rate for existing members will reduce from 6% to 5% of pensionable salary [*Rule 45.1(a)*].

3. New joiners will earn career average pensions at an accrual rate of 150th of revalued career average pensionable salary plus a retirement lump sum of 3 x the starting pension [*Rule 52.6 read with Annual CRB Pension para (b) and Rule 57.7(b)*]. The contribution rate for these members will be 3% of pensionable salary [*Rule 45.1(a)*]. They will also get a 5% employer contribution into a separate defined contribution scheme or arrangement.

4. The scheme will no longer meet the reference scheme test and will therefore cease to be contracted out of the State Second Pension Scheme [*Rule 2.2(e)*]. Members will earn S2P credits in addition to their CPS accrual but will pay higher NICs of around 1% of pensionable salary.

5. Increases to pensions in payment will be reduced for existing members from RPI capped at 12% to RPI capped at 5% [*Rule 60.3(b)(ii)(A)*]. Increases for new joiners will be CPI capped at 5% [*Rule 60.3(b)(ii)(B)*].

6. The different treatment of members in relation to early retirement will turn on whether a member joined the scheme before or after 1 December 2009, rather than before or after 1 January 2013. A pre-2009 member will be able to draw his pre-2013 pension from age 60 without reduction and his post-2013 pension from age 63 without reduction [*Rule 52.1 for pre-2013 pension, Rule 52.6(b)(i) for post-2013 pension and Rule 71, requiring all elements of pension to be taken together.*]. He will also be able to preserve the ability to draw his post-2013 pension from 60 without reduction if he elects before 31 March 2013 to pay extra contributions of 3.5% of pensionable salary [*Rule 52.6(b)(i) and Rule 45.6*]. Members who joined the scheme after December 2009 (including joiners after 1 January 2013) will have their pensions reduced on early retirement before age 65 [*Rule 52.6(b)(ii) and Rule 54.5*].

7. The death in service lump sum for existing members who joined before December 2009 will be unchanged at 4 x salary at the date of death plus a return of the member's contributions [*Rule 61.2(a)(i) and (ii)*]. Post-December 2009 members' lump sums will be unchanged at 3 x salary and no return of contributions [*Rule 61.2(d)*]. New joiners will receive a 5 x lump sum and no return of contributions [*Rule 61.2(e)*]. Members other than new joiners will receive a refund of AVCs [*Rule 61.2(a)(iii) and (iv)*]. New joiners will not be allowed to pay AVCs [*Rule 26.5*] but may pay extra contributions into the DC master trust.

8. The spouses' death in service pension will change in respect of service from 1 January 2013. Pre-December 2009 members' spouses will get a two-thirds pension for service before January 2013 and a three quarters pension for future service, including prospective service to 65 [*Rule 61.3(a)(i)*]. The spouses of post-December 2009 members and new joiners will get a 50% pension, including in respect of prospective service to 65 [*Rule 61.3(a)(ii)*].

9. The spouses' death in retirement pensions will differ between members in the same way as the death in service spouses' pension. Pre-December 2009 members' spouses will get a two-thirds pension for past

service and a three-quarters pension for future service [*Rule 62.4(a)(i)*], while the spouses of post-December 2009 members will get 50% pensions [*Rule 62.4(a)(ii)*].

10. Existing AVC arrangements, both added years and with the Cambridge Building Society, will continue but may not be increased. No new AVCs will be permitted [*Rule 26.5*].

Summary of Auto enrolment related Changes

11. The University will be required to automatically enrol certain employees in a 'qualifying pension scheme' with effect from 1 March 2013 (the 'staging date'). For Assistant Staff who are eligible to join the CPS the CPS will be the 'qualifying scheme'. However in order to comply with the provisions of the Pensions Act 2008, which introduced the duty to auto-enrol employees in a 'qualifying scheme' some minor amendments are required to be made to the rules of the CPS.

    a) *Rule 1* – This amendment introduces a definition of the Pensions Act 2008.

    b) *Rule 46* – Rule 46.1 contains the Scheme opt-out provision. While this is the mechanism by which employees who are contractually enrolled into the Scheme would withdraw from Scheme membership, an insertion of a separate provision is introduced at 46.3 to cover the scenario where a jobholder exercises his right to opt-out under section 8 of the Act with the month following the date of effective statutory enrolment. Where a jobholder provides an employer with a valid opt-out notice, the legislation operates to require that that member is treated as never having been a member of the qualifying scheme in question. The drafting of 46.3 makes this clear and provides that the refund to the jobholder required under the legislation is dealt with under Rule 51.

    c) *Rule 51* – Where a jobholder exercises his right to opt-out under section 8 of the Act the relevant legislation requires the employer to refund any contributions deducted from the jobholder's pay back to the jobholder within a specified timeframe. The Trustee is under a separate obligation to forward any contributions paid into the Scheme by or on behalf of the jobholder to the employer. The new Rule 51.7 builds this facility into the Scheme.

TRANSFER VALUES

Transfer values are calculated and verified in accordance with the Occupational Pension Schemes (Transfer Values) Regulations 1985, and no such transfer values were reduced.

PENSION INCREASES

With effect from 1 August 2013 all pensions in payment as at 1 August 2012 were increased by 3.1%. For retirements effective between 1 August 2012 and 30 June 2013 the increase was proportionate.

Increases in recent years have been as follows: -

Year	% Increase	Year	% Increase	Year	% Increase	Year	% Increase	Year	% Increase
1993	1.3	1997	2.6	2001	3.0	2005	2.9	2009	0.0
1994	2.6	1998	4.2	2002	2.0	2006	3.0	2010	5.1
1995	3.4	1999	3.0	2003	3.0	2007	4.3	2011	5.2
1996	2.1	2000	3.0	2004	2.8	2008	4.3	2012	3.1

Revaluation of deferred pensions		
Date of leaving	**Guaranteed Minimum Pension**	**Excess over Guaranteed Minimum Pension**
Prior to January 1986	lesser of 5% and increase in National Average Earnings	N/A
January 1986 - July 1990	lesser of 5% and increase in National Average Earnings	lesser of 5% and increase in Retail Prices Index
August 1990 - July 1993	lesser of 5% and increase in National Average Earnings	Annual increase in the Retail Prices Index (guaranteed up to 12%)
August 1993 -31 December 2012	Annual increase in the Retail Prices Index, guaranteed up to 12%	
1 January 2013 onwards	For pre 2013 members: Annual increase in the Retail Prices Index, guaranteed up to 5% For post 2013 members: Annual increase in the Consumer Prices Index, guaranteed to 5%	

TAXATION STATUS

The Scheme is registered with Her Majesty's Revenue and Customs under the provisions of Part IV of the Finance Act 2004.

ACTUARIAL VALUATION AND CONTRIBUTIONS

The most recent actuarial valuation of the Scheme was carried out with an effective date of 31 July 2012, and revealed a funding shortfall of £134,375,000. Following this valuation, a new Schedule of Contributions and Recovery Plan was agreed between the Trustees and the Principal Employer, dated 26 April 2013.

The revised Schedule of Contributions and Recovery Plan can be found on pages 12 - 17 of this report.

REPORT OF THE MANAGING COMMITTEE FOR THE YEAR ENDED 31 JULY 2013

MEMBERSHIP

Active Members		
Active members at 31 July 2012		3659
Adjustment for late notification		-15
Active members at 31 July 2012 restated		3644
New members during the year		987
		4631
Less:		
Leavers before retirement age (excluding Death in Service)		
To Preserved status	205	
Refunds	149	
Transferred all benefits	61	
		415
Retired during the year	84	
Died in service	4	
		88
Active members at 31 July 2013		4128

Preserved Pensioners		
Preserved pensioners at 31 July 2012		2903
Adjustment for late notification		-2
Preserved members at 31 July 2012 restated		2901
New preserved pensioners		205
		3106
Less:		
Preserved pensioners retired during the year	58	
Preserved pensioners dying during the year	2	
Members transferring their preserved benefits	12	
		72
Preserved pensioners at 31 July 2013		3034

Pensioners		
Pensions in payment at 31 July 2012		2660
Adjustment for late notification		3
Pensions in payment at 31 July 2012 restated		2663
New pensioners during the year	84	
Preserved pensioners retired during the year	58	
Widows/ers of members dying in service	3	
Widow/ers of pensioners dying during the year	35	
		180
Less:		
Pensioners dying during the year	87	
Child pensioners ceasing	2	
		89
Pensions in payment at 31 July 2013		2754

Summary of Pensioners at 31 July 2013			
	Female	Male	Total
Members	1327	1034	2361
Dependants	331	62	393
Total	1658	1096	2754

REPORT OF THE MANAGING COMMITTEE FOR THE YEAR ENDED 31 JULY 2013

STATEMENT OF CONTRIBUTIONS

Members' contributions

No contributions were paid by salary sacrifice members. Other members paid contributions at the rate of 6% of pensionable salary.

Employer's contributions

Employers' normal contributions in respect of salary sacrifice members were paid at the rate of 26.3% of pensionable salary. Employers' normal contributions in respect of other members were paid at the rate of 20.3% of pensionable salary. In addition, deficit funding contributions were paid at the rate of 3.4% of pensionable salary.

During the year ended 31 July 2013 the contributions payable to the scheme were as follows:

Contributions payable under the Schedule of Contributions	£
Contributions from the employers:	
Normal	21,198,136
Deficit funding	14,595,000
	35,793,136
Contributions from the members:	
Normal	242,332
	36,035,468
Other contributions payable	
Employer augmentation payments on members' early retirement	38,728
Members additional voluntary contributions (added years)	374,063
Members additional voluntary contributions (Cambridge Building Society)	95,399
	508,190
Total contributions reported in the financial statements	36,543,658

Signed on behalf of the Trustees on 6/12/13 , by:

Mrs J Rippeth J. Rippeth Chairman

Mr D P Hearn D. P. Hearn Council Representative

Schedule of Contributions

Name of Scheme

Cambridge University Assistants' Contributory Pension Scheme

Status

This Schedule of Contributions has been prepared by C U Pension Trustee Limited ("the Trustee" of the Scheme) on 26 April 2013, after obtaining the advice of Robert Sweet, the Actuary to the Scheme.

Contributions to be paid towards the Scheme from 1 May 2013 to 30 April 2023

1. In respect of the future accrual of benefits, the expenses of administering the Scheme, death in service benefits and PPF levies, the Members and the Employers will pay contributions at the following rates of Members' Pensionable Salaries:

	Salary Sacrifice Members			Other Members		
	Active Members	Employers		Active Members	Employers	
	%	Prior to 31 July 2013 %	1 August 2013 onwards %	%	Prior to 31 July 2013 %	1 August 2013 onwards %
Pre-2013 Members paying additional contributions under Rule 45.6	Nil	28.8	20.0	8.5	20.3	11.5
Other Pre-2013 Members	Nil	25.3	16.5	5.0	20.3	11.5
Post-2013 Members	Nil	23.3	8.8	3.0	20.3	5.8

   Active Members' contributions are to be deducted from their Pensionable Salary by their Employer and, together with the Employers' own contributions, are to be paid to the Scheme on or before the 19th day of the calendar month following that to which the payment relates.

2. In respect of the shortfall in funding, in accordance with the Recovery Plan dated 26 April 2013 the Employers will pay an additional contribution of £14,595,000 per annum payable in monthly instalments over the period from 1 May 2013 to 30 April 2023, the allocation of this amount between the Employers to be decided by the Principal Employer.

   To be paid towards the Scheme on or before the 19th of the calendar month following that to which the payment relates.

Post-2013 Member

A Member who joined the Scheme on or after 1 January 2013.

Pre-2013 Member	A Member who joined the Scheme on or before 31 December 2012.
Pensionable Salary	Basic salary plus any allowances and other emoluments that have been determined to be pensionable by the Employers. For Members who are participating in a Salary Sacrifice Arrangement, Pensionable Salary is deemed to be the amount which it would have been if the Member was not participating in a Salary Sacrifice Arrangement.
Salary Sacrifice Members	Members who are participating in a Salary Sacrifice Arrangement and who as a result of which have been relieved of the duty to pay Member's contributions.

On behalf of the University of Cambridge ("the Principal Employer")

Signed ....

Name : A M Reid

Position : Director of Finance

Date : 26 April 2013

On behalf of CU Pension Trustee Limited ("the Trustee")

Signed ....

Name : R K Hinkley

Position : Director

Date : 26 April 2013

Actuary's Certification of Schedule of Contributions

Name of Scheme	Cambridge University Assistants' Contributory Pension Scheme
Adequacy of Contribution Rates	I certify that, in my opinion, the rates of contributions shown in this Schedule of Contributions are such that the statutory funding objective could have been expected on 31 July 2012 to be met by the end of the period specified in the Recovery Plan dated 26 April 2013.
Adherence to Statement of Funding Principles	I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 26 April 2013.
Adequacy of Contribution Rates on Winding Up	The certification of the adequacy of the rates of contributions for the purposes of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the Scheme's liabilities by the purchase of annuities, if the Scheme were to be wound up.

Signature:	Robert. J. Sweet	Date:	26 April 2013
Name:	R J Sweet	Qualification:	Fellow of the Institute and Faculty of Actuaries
Address:	Mill Pool House Mill Lane Godalming Surrey GU7 1EY	Name of Employer:	Cartwright Group Ltd

Recovery Plan

Name of Scheme	Cambridge University Assistants' Contributory Pension Scheme
Status	This Recovery Plan has been prepared by CU Pension Trustee Limited (the "Trustee" of the Scheme) on 26 April 2013 after obtaining the advice of Robert J Sweet, the Actuary to the Scheme. The actuarial valuation of the Scheme as at 31 July 2012 revealed a funding shortfall (technical provisions minus value of assets) of £134,375,000.
Steps to be taken to ensure that the statutory funding objective is met	To eliminate this funding shortfall, the Trustee and the Principal Employer have agreed that additional contributions will be paid to the Scheme by the Employers, payable in equal monthly instalments of £14,595,000 per annum from 1 August 2012 to 30 April 2023.
Period in which the statutory funding objective should be met	The funding shortfall is expected to be eliminated by 30 April 2023. This expectation is based on the following assumptions: ▪ technical provisions calculated according to the method and assumptions set out in the Statement of Funding Principles dated 26 April 2013; ▪ a return on existing assets and on new contributions during the period of 6.35% p.a.
Progress towards meeting the Statutory Funding Objective	It is expected that 50% of the deficit funding contributions will be paid by 31 December 2017.

On behalf of the University of Cambridge ("the Principal Employer")		On behalf of CU Pension Trustee Limited ("the Trustee")	
Signed	………………………………	Signed	………………………………
Name :	A M Reid	Name :	R K Hinkley
Position :	Director of Finance	Position :	Director
Date :	26 April 2013	Date :	26 April 2013

This Recovery Plan has been agreed by the Trustee at its meeting on 26 April 2013 after obtaining my actuarial advice.

Signed :

Name : R J Sweet

Position : Scheme Actuary

Date : 26 April 2013

Summary Funding Statement 2013

The CPS Managing Committee is pleased to provide members with the Scheme's eighth Summary Funding Statement.

Trustees of all UK defined benefit schemes are required by law to provide an annual summary funding statement to scheme members. The purpose of the statement is to summarise the funding position at the scheme's most recent valuation.

As pension schemes go on for many years, any review of a scheme's finances can only be a 'snap-shot' based on what is known at a given date, and estimates of what might happen in the future. Amongst other things, estimates include: how long people will live; what the rate of inflation will be; and what return the scheme will earn on its investments. This 'snap-shot' is known as an actuarial valuation and is carried out by the Scheme Actuary (normally every three years). The results of the valuation will form the basis for decisions about future contributions to the scheme.

The last full valuation of the CPS was at 31 July 2012. This statement summarises the funding position of the Scheme at that date and covers all of the information which we are required by law to tell you. As some of this information is rather technical and detailed, we have divided the statement into sections.

Dr. Reg Hinkley
Chairman, CPS Managing Committee

1. How well funded is the Scheme?

This question is answered by establishing how well the Scheme's liabilities (the pensions which it has to pay now and in the future in respect of pensionable service already completed) are covered by its assets (the money it has available).

There are many different ways of measuring a scheme's funding position. The most relevant measure is the 'on-going basis' – which assumes the Scheme carries on as now. At the most recent actuarial valuation at 31 July 2012, the Scheme's funding position on an on-going basis was:

Market value of scheme assets:	£377,169,000
Scheme liabilities:	£511,544,000
Scheme funding shortfall:	£134,375,000
On-going funding level:	74%

Based on the assumptions used in the "on-going basis" which were agreed by the CPS Managing Committee and the University, the Scheme Actuary calculated that the contribution rates required to provide benefits on the revised benefit structure which has applied since
1 January 2013 were as follows:

	% of Pensionable Salaries	
	Members %	**Employers** %
Pre-2013 members	5.0	11.5
Post-2013 members	3.0	5.8

For Post-2013 members, the Employers also make Employer contributions of 5.0% of Pensionable Salaries into the separate Defined Contribution (DC) arrangement.

Contributions will be paid at these rates from 1 August 2013 onwards. For the period up to 31 July 2013, the Employer has contributed at the rate of 20.3% of Pensionable Salaries.

Some members who joined the Scheme prior to 1 December 2009 have elected to pay an additional member contribution of 3.5% of Pensionable Salary in exchange for improved early retirement terms. Where a member participates in a Salary Sacrifice Arrangement, the Employer meets the cost of the member contributions shown above in exchange for an equivalent reduction in the member's earnings.

In addition to the above contributions, the Employers are paying contributions at a rate of £14,595,000 p.a. to reduce the funding shortfall. These contributions are projected to eliminate the shortfall by 30 April 2023, provided that the assumptions made are borne out.

2. How has the position changed since 31 July 2009?

At 31 July 2009, the previous actuarial valuation, the Scheme had a funding shortfall of £138,821,000 and a funding level of 67%. The funding position has therefore slightly improved over the period to 31 July 2012, mainly as a result of additional contributions paid by the Employers and actual salary increases being lower than previously assumed.

3. Future Updates

The next full actuarial valuation is not due until 31 July 2015, with the results being available within 15 months of that date. In the intervening period the CPS Managing Committee obtains an annual report from the Scheme Actuary, providing an approximate update of the funding position of the Scheme at 31 July each year.

The next update will be undertaken as at 31 July 2013 and the results will be included in next year's Statement.

4. Market Volatility

Investment markets can be volatile,. even over relatively short periods of time This has been reflected in the Scheme funding positions reported in each year's Summary Funding Statement. We would like to stress that the funding positions we report are inevitably simply a snapshot of the position at a particular date. Due to market volatility, the funding position can be expected to continue to fluctuate.

5. How well funded is the Scheme on a discontinuance basis?

Another measure of the Scheme's funding position is the 'discontinuance basis' i.e. what would happen if the Scheme was wound up (the University ceased to support the Scheme) and the Managing Committee had to purchase all pensions from an insurance company.

Discontinuance liabilities are higher than those calculated on the ongoing basis because the insurance company will make very conservative assumptions about future investment income and also needs to make a profit.

If the Scheme had discontinued at 31 July 2012, the Scheme's discontinuance position was estimated to have been:

Market value of scheme assets:	£377,169,000
Discontinuance liabilities:	£999,285,000
Discontinuance funding shortfall	£622,117,000
Discontinuance funding level:	38%

This means that the Participating Employers would be required to pay £622,117,000 into the Scheme to meet all of the Scheme's liabilities.

A pension scheme whose sponsoring employer becomes insolvent and is unable to meet the costs of providing pensions, will normally apply to the PPF. The PPF was set up under the Pensions Act 2004 to provide compensation to members and beneficiaries of defined benefit pension schemes in such cases.

Legislation requires that we include these details of the solvency funding position and the position should the Scheme be wound-up. Including this information does <u>not</u> imply that the University is considering winding-up the

Scheme. The CPS Managing Committee and Scheme actuary are satisfied that the Participating Employers are fully committed to continuing to support the Scheme. Consequently, we concentrate on the funding position on the ongoing basis, as detailed in the earlier sections of this statement.

6. Have there been any payments from the Scheme to any of the Participating Employers?

The CPS Managing Committee can confirm that there have not been any payments to any of the Participating Employers out of the Scheme in the previous 12 months.

7. Where can I get further information?

A number of additional documents about the CPS are available to members on request, or from the website at www.admin.cam.ac.uk/offices/pensions/cuacps/ and these include:

Statement of Investment Principles – this explains how the money being paid into the CPS is invested.

Statement of Funding Principles – this sets out the funding basis for the CPS agreed by the CPS Managing Committee and the University.

Recovery Plan – this explains how the funding shortfall is being met.

Schedule of Contributions – this shows how much money is being paid into the CPS.

Managing Committee's Annual Report and Accounts – these show the CPS income and expenditure in each scheme year.

Actuarial Valuation Report – this is the full report of the Actuary on the valuation as at 31 July 2012.

Explanatory Note – this explains the benefits offered by the CPS.

If, after reading this statement, you have any questions or would like further information about the Scheme, please contact Sue Curryer, Head of Pensions Administration, University of Cambridge, 4 Mill Lane, Cambridge CB2 1RZ or e-mail her at sec28@cam.ac.uk.

STATEMENT OF THE RESPONSIBILITIES OF THE MANAGING COMMITTEE

The Managing Committee has responsibility for the audited accounts. Pension scheme regulations require the Managing Committee to make available to scheme members, beneficiaries and certain other parties, audited accounts for each scheme year which:

- show a true and fair view of the financial transactions of the Scheme during the scheme year and of the amount and disposition at the end of the Scheme year of the assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Scheme year; and
- contain the information specified in the Schedule to the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including a statement whether the accounts have been prepared in accordance with the Statement of Recommended Practice, 'Financial Reports of Pension Schemes'.

The Managing Committee has supervised the preparation of the accounts and has agreed suitable accounting policies, to be applied consistently, making estimates and judgements on a reasonable and prudent basis. They are also responsible for making available each year, commonly in the form of a trustees' annual report, information about the scheme prescribed by pensions legislation, which they should ensure is consistent with the audited accounts it accompanies.

The Managing Committee is responsible under pensions legislation for ensuring that there is prepared and from time to time revised a schedule of contributions showing the rates of contributions payable to the Scheme by or on behalf of the employer and the active members of the Scheme and the dates on or before which those contributions are due. The Managing Committee is also responsible for keeping records of contributions received in respect of any active member of the Scheme and for ensuring that contributions are made to the Scheme in accordance with the schedule of contributions.

The Managing Committee also has a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to them to safeguard the assets of the Scheme and to prevent and detect fraud and other irregularities.

TRUSTEE KNOWLEDGE AND UNDERSTANDING

The provisions of the Pensions Act 2004 require trustees of occupational pension schemes to have knowledge and understanding of the law relating to pensions and trusts and the principles relating to the funding of occupational schemes and the investment of scheme assets. Trustees are also required to be conversant with their own scheme's policy documents. The Pensions Regulator has taken the phrase 'conversant with' to mean having a working knowledge of those documents such that the trustees are able to use them effectively when carrying out their duties as a trustee.

The Managing Committee has agreed that they will undertake the e-learning package introduced by the Pensions Regulator which aims to equip trustees with the knowledge and understanding they need to effectively carry out their duties and the Committee regularly monitors progress. The Committee has also agreed that if there are any areas of concern to one or more members of the Committee the Scheme's professional advisers will be asked to provide additional training, or when an appropriate training course becomes available they will attend this.

On appointment to the Managing Committee each member of the Committee is issued with a 'trustee pack' which includes all the relevant documentation relating to the Scheme and updated copies are provided as required. Copies are also available from the Scheme's webpage.

INTERNAL CONTROLS

The Pensions Act 2004 requires trustees to have adequate internal controls in place to help them monitor the management and administration of the Scheme. In order to assist with this the Managing Committee receives reports from the Scheme Office at each meeting as follows:

- Details of members who have retired or died and the benefits which are payable from the Scheme in respect of those members.
- Details of the amounts of contributions received from the Participating Employers and the date of receipt, plus details of any action taken by the Scheme Office in respect of late or incorrect payment of contributions.
- Confirmation that no events have occurred since the last meeting which need to be reported to the Pensions Regulator.
- Reports on outstanding work in the Scheme Office and the reasons for the work being outstanding.

The Managing Committee has also drawn up a risk register which is reviewed periodically. The risk register is currently under review and this is expected to be completed by 31 December 2013.

Independent Auditors' Report to the Trustees of the Cambridge University Assistants' Contributory Pension Scheme

We have audited the accounts on pages 24-30.

We have audited the financial statements of the Cambridge University Assistants' Contributory Pension Scheme which comprise the fund account, the net assets statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Scheme's Trustee, as a body, in accordance with section 47 of the Pensions Act 1995. Our audit work has been undertaken so that we might state to the Scheme's Trustee those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept responsibility to anyone other than the pension scheme and the Scheme's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and Auditors

As explained more fully in the Statement of Trustee's Responsibilities, the Scheme's Trustee is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practice Board's [(APB's)] Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Scheme's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustee; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion

In our opinion the financial statements:

• show a true and fair view of the financial transactions of the Scheme during the year ended 31 July 2013 and of the amount and disposition at that date of its assets and liabilities, other than the liabilities to pay pensions and benefits after the end of the year; and

• have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

• contain the information specified in Regulation 3 of, and the Schedule to, the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

Peters Elworthy

PETERS ELWORTHY & MOORE
Chartered Accountants and Statutory Auditors

CAMBRIDGE
Date: 24/02/14

INDEPENDENT AUDITORS' STATEMENT ABOUT CONTRIBUTIONS, UNDER REGULATION 4 OF THE OCCUPATIONAL PENSION SCHEMES (REQUIREMENT TO OBTAIN AUDITED ACCOUNTS AND A STATEMENT FROM THE AUDITOR) REGULATIONS 1996, TO THE TRUSTEE OF THE CAMBRIDGE UNIVERSITY ASSISTANTS' CONTRIBUTORY PENSION SCHEME

We have examined the summary of contributions to the Cambridge University Assistants' Contributory Pension Scheme for the scheme year ended 31 July 2013, which is shown on page 10 of the Trustee's report.

This report is made solely to the Scheme's Trustee, as a body, in accordance with Regulation 4 of The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996. Our audit work has been undertaken so that we might state to the Scheme's Trustee those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept responsibility to anyone other than the pension scheme and the Scheme's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustee and auditors

As described in the Statement of Trustee's Responsibilities, the Scheme's Trustee is responsible for ensuring that there is prepared, maintained and from time to time revised a schedule of contributions which sets out the rates and due dates of certain contributions payable towards the Scheme by or on behalf of the employers and the active members of the scheme. The Trustees is also responsible for keeping records in respect of contributions received in respect of any active member of the scheme and for monitoring whether contributions are made to the scheme by the employers in accordance with the schedule of contributions.

It is our responsibility to provide a statement about contributions paid under the schedule of contributions and to report our opinion to you.

Scope of work on statement about contributions

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported in the attached summary of contributions have in all material respects been paid at least in accordance with the schedule of contributions. This includes examination, on a test basis, of evidence relevant to the amounts of contributions payable to the scheme and the timing of those payments under the schedule of contributions.

Statement about contributions payable under the schedule of contributions

In our opinion contributions for the scheme year ended 31 July 2013. as reported in the summary of contributions and payable under the schedule of contributions, have in all material respects been paid at least in accordance with the Schedule of Contributions certified by the scheme actuary on 26 April 2013.

Peters Elworthy & Moore

PETERS ELWORTHY & MOORE
Chartered Accountants and Statutory Auditors

CAMBRIDGE
Date: 24/02/14

CAMBRIDGE UNIVERSITY ASSISTANTS' CONTRIBUTORY PENSION SCHEME

FUND ACCOUNT

For the year ended 31 July 2013

	Note	2013 £	2012 £
Contributions and Benefits			
Contributions receivable	4	36,543,658	35,329,978
Transfers in	5	5,792,293	1,181,932
		42,335,951	36,511,910
Benefits payable	6	17,728,535	19,139,790
Payments to and on account of leavers	7	473,774	776,936
Administration expenses	8	982,728	525,991
		19,185,037	20,442,717
Net income from dealings with members		23,150,914	16,069,193
Returns on investments			
Investment income	9	3,028,124	1,922,335
Change in market value of investments	11.1	62,995,324	350,188
Investment management expenses		(1,008,314)	(447,166)
Investment consultant expenses		(179,380)	(104,700)
Net return on investments		64,835,754	1,720,657
Net increase/(decrease) in fund during the year		87,986,668	17,789,850
Net Assets of the Scheme at 1 August 2012		378,142,189	360,352,339
Net Assets of the Scheme at 31 July 2013		466,128,857	378,142,189

CAMBRIDGE UNIVERSITY ASSISTANTS' CONTRIBUTORY PENSION SCHEME

NET ASSET STATEMENT

at 31 July 2013

	Note		2013 £		2012 £
Investments	10		460,598,502		364,736,746
Current Assets					
Cash at Bank		2,938,441		11,469,906	
Debtors	14	4,110,114		3,405,259	
		7,048,555		14,875,165	
Less Current Liabilities					
Creditors	15	1,518,200		1,469,722	
Net Current Assets			5,530,355		13,405,443
Net Assets of the Scheme at 31 July 2013			466,128,857		378,142,189

These financial statements were approved by the Trustees on 6/12/13 and were signed on behalf of the Trustees by:

Mrs J Rippeth J Rippeth **Chairman**

Mr D P Hearn D P Hearn **Council Representative**

Notes to the Financial Statements for the year ended 31 July 2013

1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, and with the guidelines set out in the Statement of Recommended Practice, Financial Reports of Pension Schemes.

The financial statements summarise the transactions of the scheme and deal with the net assets at the disposal of the trustees. They do not take account of obligations to pay pensions and other benefits, which fall due after the end of the scheme year. The actuarial position of the scheme, which does take account of such obligations, is dealt with in the statements by the actuary on pages 13 to 15 of the annual report and these financial statements should be read in conjunction with it.

2. ACCOUNTING POLICIES

2.1 INCLUSION OF INCOME AND EXPENDITURE

2.1.1 Contribution Income

Under the rules of the Scheme the University of Cambridge and associated employers shall contribute to the Fund at such a rate or rates as the University Finance Committee shall determine from time to time with the advice of the actuary.

Normal contributions are included on the accruals basis. Special contributions are accounted for when received.

AVC contributions are accounted for on an accruals basis in the same way as other contributions, and the resulting investments are included in the net assets statement.

2.1.2 Transfers to and from other Schemes

Transfer values represent the amounts received and payable during the year for members who have either joined or left the Scheme. All the values are based on methods and assumptions determined by the actuary advising the Managing Committee.

2.1.3 Investment Income

Dividends and interest are grossed up for the amount of any taxation recoverable.

2.1.4 Foreign Currency Conversion

Foreign income is converted into sterling at the rate ruling on the date the income is received. Income accrued at the year end is converted at the rate ruling at that date. Investments and current assets and liabilities denominated in foreign currencies are converted using the sterling rate of exchange ruling at the year end date.

2.2 VALUATION OF INVESTMENTS

Marketable securities are valued at bid prices as at 31 July. Assets and liabilities held in foreign currencies are translated into sterling at the exchange rates ruling on 31 July. Accumulated unrealised profits less unrealised losses on investments are included as part of the change in market value of investments as shown in the Fund Account and Note 11. Unlisted securities are stated at the Managing Committee's valuation based on the advice of the Scheme's investment managers.

AVC funds with the Cambridge Building Society are valued at cash deposit value.

3. ACTUARIAL VALUATION

An actuarial valuation of the Scheme was made by the actuary as at 31 July 2012 and revealed a funding shortfall of £134,375,000.

4. CONTRIBUTIONS RECEIVABLE

	2013 £	2012 £
From Members:		
Normal contributions	242,332	215,070
Additional voluntary contributions (Added years)	374,063	306,670
Additional voluntary contributions (CBS)	95,399	83,444
	711,794	605,184
From Employers:		
Normal contributions	21,198,136	20,051,252
Deficit funding contributions	14,595,000	14,593,680
Augmentation payments on members' early retirement	38,728	79,862
	36,543,658	35,329,978

5. TRANSFERS FROM OTHER SCHEMES

	2013 £	2012 £
Individual transfers from other schemes amounted to:	5,792,292	1,181,932

6. BENEFITS PAYABLE

	2013 £	2012 £
Pension payments to retired members	14,754,614	13,914,862
Commuted to lump sum payments	2,184,831	4,693,135
Cash payment on death	789,090	531,793
	17,728,535	19,139,790

7. PAYMENTS TO AND ON ACCOUNT OF LEAVERS

	2013 £	2012 £
Refunds of contributions to members	9,598	13,202
Payments to HM Revenue & Customs	56,678	45,815
Transfers out to other schemes for individuals	407,498	717,919
	473,774	776,936

8. ADMINISTRATIVE EXPENSES

	2013 £	2012 £
Expenses borne by the Scheme comprise:		
Actuarial fees	170,106	64,254
Consultant fees	59,400	-
Legal fees	14,889	13,230
Audit fees	11,370	10,540
Salaries and other payroll costs	193,545	152,542
NAPF subscription	1,792	1,658
PPF Levy	453,393	198,216
Pensions Regulator Levy	23,020	29,867
Printing costs	595	2,585
PS Pension Administration support costs	18,509	16,693
Travel and Subsistence	299	587
Pension Trustee Liability Insurance	34,185	34,185
Medical reports	90	125
Bank charges	192	422
Other expenses	1,343	1,087
	982,728	525,991

9. INVESTMENT INCOME

	2013 £	2012 £
Income from managed or unitised funds	2,301,964	1,394,092
Bond Income	618,612	503,752
Interest on cash deposits	95,526	10,979
Interest on building society deposits	9,131	9,287
Annuities received	2,891	4,225
	3,028,124	1,922,335

10. INVESTMENTS

Investments are stated at market value and comprise the following:

	2013 £	2012 £
Managed and unitised funds:		
Managed funds	434,604,314	353,763,064
Cash at investment managers pending investment:		
Sterling	25,000,000	10,000,000
Main scheme investments (see Note 11.1)	459,604,314	363,763,064
AVC Investments		
Building society deposits (see Note 11.2)	994,188	973,682
	460,598,502	364,736,746

11. NET MOVEMENT IN MARKET VALUE OF INVESTMENTS

11.1 MAIN SCHEME INVESTMENTS-UNITISED FUNDS

	2013 £	2012 £
Market value of investments at 1 August 2012	353,763,064	347,814,162
Cost of investments purchased	88,635,668	14,712,928
Proceeds of investments sold	(70,789,742)	(9,114,214)
Change in market values	62,995,324	350,188
Market value of investments at 31 July 2013	434,604,314	353,763,064

11.2 AVC INVESTMENTS

Money Purchase Additional Voluntary Contributions represent contributions invested in a special account at the Cambridge Building Society on behalf of the individuals concerned to provide additional benefits within the overall limits laid down by the HM Revenue and Customs.

A statement showing the movement in value of the AVC account is shown below.

	2013 £	2012 £
INCOME		
Contributions	95,399	83,444
Interest receivable	9,131	9,287
	104,530	92,731
EXPENDITURE		
AVC balances transferred to Fund Account	84,024	266,349
Net reduction from dealings with members	20,506	(173,618)
Balance of members' Voluntary Contributions at the start of the year	973,682	1,147,300
Balance of members' Voluntary Contributions at the end of the year	994,188	973,682

Added Years Additional Voluntary Contributions represent contributions made to purchase additional pensionable service under the rules of the Main Scheme. A statement showing the contributions paid to secure additional pensionable service is shown below.

	2013 £	2012 £
Contributions received:		
Contributions received in current year	374,063	306,670
Contributions brought forward from previous years	2,992,471	2,685,801
Total contributions paid to secure added years AVCs	3,366,534	2,992,471

12. CONCENTRATION OF INVESTMENT

At 31 July 2013 the Scheme had investments totalling £285,943,567 (2012: £191,067,115) in 7 (2012: 5) funds managed by Majedie Asset Management, State Street Global, Genesis, Payden & Rygel and BlackRock. These holdings represented 61.3% (2012: 50.5%) of the total assets of the Scheme.

The funds in which the Scheme held investments at 31 July 2013 were as follows:-

Name of fund	No of units held on 31 Jul 2013	Value of holding at 31 Jul 2013 (£)	Value of holding at 31 Jul 2012 (£)
Majedie Asset Management UK Equity Service	10,843,078	49,565,876	36,414,307
State Street Global UK Equity Index	25,512,563	91,312,271	73,423,627
Genesis Emerging Markets Fund	695,834	24,907,709	22,853,796
BlackRock Absolute Return Strategies	26,167	27,611,577	25,102,448
Payden Global Funds International Bond	3,125,365	46,037,472	33,272,937
OZ Overseas Fund II	36,249	26,230,062	-
CS Nova (Lux) Global Senior Loan Fund	20,000	20,278,600	-
		285,943,567	191,067,115

13. SELF INVESTMENT

The Scheme has no funds held on deposit with the University.

14. DEBTORS

	2013 £	2012 £
Contributions due for July 2013	3,284,681	3,115,504
Accrued Investment Income	807,176	289,755
Prepayments and other accrued income	18,257	-
	4,110,114	3,405,259

15. CREDITORS

	2013 £	2012 £
Due to the University	1,261,662	1,217,680
Investment manager fees	170,132	52,374
Audit fees	9,000	9,000
Trustee liability insurance	68,370	34,185
Payments due in respect of deceased members	-	144,781
Other accruals	9,036	11,702
	1,518,200	1,469,722

16. RELATED PARTY TRANSACTIONS

The Scheme pays all administration and management costs incurred in the running of the Scheme. The University is responsible for the payment of pensions and the collection of contributions through its payroll function.