

**GATES CAMBRIDGE TRUST**

**Report and Financial Statements**

**31 July 2008**

# **GATES CAMBRIDGE TRUST**

## **REPORT AND FINANCIAL STATEMENTS 2008**

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# GATES CAMBRIDGE TRUST

## TRUSTEES' REPORT FOR 2007-08

### 1. OBJECTS AND PURPOSES OF THE TRUST

The Trust was established by Trust Deed on 10 October 2000 by the Bill & Melinda Gates Foundation, by the initial Trustees and by the University of Cambridge.

The Foundation had agreed, as settlor, to provide money to establish the Trust for the provision of scholarships, grants and otherwise for the furtherance of education in the University of persons from any part of the world outside the United Kingdom. The Trust does not undertake fund-raising or trading to generate income.

Two supplemental Trust Deeds were approved on 24 July 2001, dealing with appointment of nominees or custodians for the holding of investments and a requirement that any variation to the objectives of the Trust, if made, shall permit the Trust to continue to operate as an organisation of the same class as the University for the purposes of US Revenue Code Section 509(a)(1) and (2).

The current Trustees hold the Fund upon trust exclusively for scientific, literary and educational purposes, provided that such purposes are wholly charitable according to the laws of England.

The Trustees are required to award scholarships on the basis of a person's intellectual ability, leadership capacity and desire to use their knowledge to contribute to society throughout the world by providing service to their communities and applying their talents and knowledge to improve the lives of others. The Trustees may in due course establish and support a centre in Cambridge to be known as Gates House, its purpose being to advance the education of the Gates Cambridge Scholars (past and present).

The Trust is a UK exempt charity with Inland Revenue reference number XR 44902. Under the Trust Deed of 10 October 2000, at least five Trustees are appointed by the University Council of the University of Cambridge and two by the Bill and Melinda Gates Foundation for periods of three years at a time in all cases.

### 2. TRUSTEES AND OFFICERS

#### (a) Trustees

The Trustees of the Trust for the accounting year ending 31 July 2008 were:

*Appointed by the University Council*

Professor Alison Richard (Chairman)

Professor Lord Broers FRS

Mrs Anne Lonsdale CBE

Baroness O'Neill of Bengarve FBA

Professor Lord Rees of Ludlow PRS

*Appointed by the Bill and Melinda Gates Foundation*

Mr William H. Gates Snr

Dr William Gerberding

#### (b) Officers

The officers of the Trust during the year ending 31 July 2008 were:

Provost: Dr Gordon Johnson

Secretary: Dr Timothy Mead (until 30 September 2007)

Dr Jonathan Nicholls (from 1 October 2007)

Treasurer: Mr Andrew Thompson MBE

Deputy Treasurer: Dr Nicholas Branson

Assistant Treasurer: Mrs Anne Withington

Executive Officer: Mr James Smith (on sabbatical from February 2008)

Ms Hilary Perrott (from January 2008)

# GATES CAMBRIDGE TRUST

## TRUSTEES' REPORT FOR 2007-08

### 3. PROFESSIONAL ADVISERS TO THE TRUST

(a) Investment Management

Cambridge Associates Ltd, 80 Victoria Street, London, SW1E 5JL

(b) Bankers

NatWest Bank, Cambridge Market Street Branch, 23 Market Street, Cambridge

(c) Auditors

Deloitte & Touche LLP, City House, 126-130 Hills Road, Cambridge

### 4. ORGANISATION AND MANAGEMENT OF THE TRUST

The Trustees have approved, from time to time, Standing Orders for the administration of the Trust dealing *inter alia* with:

- (i) the appointment of a Chairman of the Trustees;
- (ii) meetings of Trustees;
- (iii) approval of a disbursement policy for determining annually the maximum amount available to be disbursed by the Trust; and
- (iv) preparation and approval of a budget for each financial year.

The Standing Orders provide for the establishment of Committees to which the Trustees may delegate specified powers; the Standing Orders were last revised during 2006-07.

The Standing Orders provide for an **Investment Committee** which is required to develop and recommend the Investment Policy of the Trust for the approval of the Trustees and to oversee its execution. The Investment Committee for 2007-08 comprised Professor Lord Broers (Chairman), Mr William H Gates Snr, Professor Alison Richard, Mr Andrew Reid (University Director of Finance), Mr Nick Cavalla (University Chief Investment Officer) and the Treasurer.

The standing orders also provide for the following officers of the Trust, viz. Provost, Secretary and Treasurer.

The duties of the officers, under the direction of the Trustees are, in summary, currently as follows:

#### Provost

- arranging for the advertisement, recruitment, selection and admission of Gates Cambridge Scholars to Cambridge;
- being responsible for the office of the Gates Cambridge Trust in Cambridge;
- in liaison with the Treasurer, preparing budgets for consideration and approval by the Trustees;
- co-ordinating the arrangements for pastoral welfare support for Gates Cambridge Scholars resident in Cambridge;
- developing and maintaining the network of Gates Cambridge Scholars internationally;
- bringing forward proposals for the establishment of a Gates House in Cambridge, and overseeing its activities.

#### Secretary

- ensuring that minutes of meetings of the Trustees and of any Committees are recorded and maintained;
- ensuring that all notices are duly given in accordance with the provisions of the Trust Deed and the Standing Orders;
- and acting as custodian of the records of the Trust or appointing such person as is appropriate to act as such custodian.

# GATES CAMBRIDGE TRUST

## TRUSTEES' REPORT FOR 2007-08

### 4. ORGANISATION AND MANAGEMENT OF THE TRUST (continued)

#### Treasurer

- taking charge of and having responsibility for all funds and securities of the Trust;
- ensuring that monies due and payable to the Trust from any source are properly received and that receipts are given for said monies;
- ensuring that all such monies are deposited in the name of the Trust in banks, trust companies or other depositories selected in accordance with the Standing Orders;
- authorising all payments by the Trust in accordance with the annual budget, approved by the Trustees.

#### Executive Officer

- assisting the Provost with his duties to the Trust;
- assisting the Treasurer with his duties to the Trust;
- being responsible for the administrative arrangements for the selection of Scholars, for maintaining records of Scholars in residence and of Alumni and for arranging payments to and in respect of Scholars in residence.

#### Administration

The work of the Trust is also supported by administrative staff, most of whom work also for the Cambridge Commonwealth and Cambridge Overseas Trust. A proportional financial contribution has been made by the Trust for the year ended 31 July 2008 for the costs of these staff, and for the collective expenses of running the offices of the Trusts.

The work of the Trust is undertaken in two offices at 38 Trinity Street and 3e King's Parade leased by the Cambridge Commonwealth Trust. The second of these offices was acquired in early 2001 by the Cambridge Commonwealth Trust primarily to facilitate the work of the Gates Cambridge Trust. A proportional contribution was made to the Gates Cambridge Trust during the year 2000-01 towards the costs of setting up the new offices at 3e King's Parade, refurbishing the office at Trinity Street and equipping both offices with appropriate new computing systems for dealing with student applications and accounts. A few additional costs fell to be met in each financial year since 2000-01 and were again made proportionately between the Trusts. The Provost has a small office at Wolfson College, the rent of which is met by the Trust (£6,050 in 2007-08).

#### Recruitment, induction and training of Trustees

All Trustees have considerable administrative experience and knowledge of related governance procedures, in most cases having run educational or business institutions. Some Trustees are leading figures from within the University of Cambridge and its Colleges who understand how Cambridge works, how overseas and EU students are recruited and how the Trust can aim to help them. It is the practice of the Trust to give all new Trustees full minutes of previous meetings of Trustees as well as details of accounts and budgets for at least three years prior to appointment. They also receive a copy of the Trust Deed and Standing Orders made under them. They are given an informal briefing by the officers and are invited to contact the Chairman of the Trust for further and better particulars or for any matters arising after perusing background papers.

# GATES CAMBRIDGE TRUST

## TRUSTEES' REPORT FOR 2007-08

### 5. ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE OF THE TRUST DURING THE YEAR TO 31 JULY 2008

#### The Gates Scholars

The period saw the seventh full year of operation of the Trust. There were 256 Gates Cambridge Scholars in residence in 2007-08, studying for Masters and Doctoral degrees. The number of scholars from each cohort were as follows:

2002:	1
2003:	2
2004:	30
2005:	51
2006:	65
2007:	107
<b>Total:</b>	<b>256</b>

Of the 256 scholars in residence during 2007-08, 93 were from the USA. Expenditure on awards for the year was £4.6m.

#### Selection of Scholars

Selection procedures were in place across the world as for previous years to ensure the recruitment of high ability Gates Cambridge Scholars to take up residence in October 2008. At the end of this process 114 Gates Scholars accepted awards from October 2008 from 28 countries, including 56 scholars from the USA 5 Scholars have deferred their entry to October 2009. The total estimated financial commitment in respect of these 114 students for the years 2008-11 is £4.83m, commencing from October 2008.

#### Reports from Gates Scholars

Gates Cambridge Scholars and their Supervisors were required to submit annual reports to the Trust on the scholars' progress in Cambridge during 2007-08. These showed that the great majority of scholars were doing very well in Cambridge and that their progress had been impressive. By the end of September 2008, 531 Gates Scholars had successfully completed their courses.

#### Gates Scholars

A Gates Scholars Council takes the lead in organising activities, such as weekly meetings, talks, films and excursions for Gates Scholars. This Council plays a key role in the induction of new Gates Scholars, and is becoming involved also in the establishment of an alumni network. A Gates Scholars Yearbook giving information about each scholar is published annually and is available on the website. The 2008 edition, which will be available in early November 2008, has a foreword by Mr William Gates Snr welcoming new Gates Scholars. Since 2004 a newsletter for current Gates Scholars and alumni has been published, circulated and made available on both the Trust's and the Scholars' websites. Two editions of the newsletter were published and circulated during 2007-08 and it is expected that two editions will be also be produced and circulated during 2008-09.

In the longer term, the Trustees may establish a Gates House in Cambridge that will serve as a permanent base for its activities, though it was recently decided that no action in this regard was desirable at present, as the dedicated Gates Common Room, established in Summer 2001 in the University Centre, has proved to be an acceptable substitute.

#### Web Development

A re-designed website was introduced in the Lent Term 2008. The revised website incorporates new features and provides a more user-friendly interface which facilitates improved networking for scholars and alumni.

# GATES CAMBRIDGE TRUST

## TRUSTEES' REPORT FOR 2007-08

### 6. INVESTMENTS

The Investment Committee met three times during the financial year to review the performance of the investment portfolio.

The investment objective of the Trust is to maximise long-term total return in sterling (taking capital and income together), consistent with prudent levels of risk. The aim is for investment returns to preserve and / or enhance the real value of the funds to provide adequate finance to sufficiently support designated Trust activities.

The target percentages of the various asset classes were last formally reviewed in March 2005 and, as at 31 July 2008, were as follows:

	TARGET RANGES %	ACTUAL 31.7.08 %
UK Equities	30-50	33
Global ex-UK Equities	5-25	20
Fixed Income	10-30	10
Property	5-15	9
Private Equity/Venture Capital	0-10	5
Absolute Return	5-15	13
Equity Hedge	5-15	9
Cash	0-10	1

The performance of the managers of the various funds held within the portfolio continued to be reviewed regularly by the Investment Committee. Cambridge Associates advise on the overall management of the portfolio and the asset allocations. They watch the situation from week to week on behalf of the Trust, and are in touch with individual managers if they have concerns about their performance or stock selection.

Stock markets worldwide during the year were extremely volatile, but the general trend was down as the credit crunch and banking crises sapped investor confidence. As a result the total value of the endowment of the Trust at the year end (31 July) had decreased to £165.9m, compared with £179.6m at the start of the year (-7.6%).

During the year steps were taken to mitigate the market turmoil by moving from income to growth stocks and also by increasing the portfolio's exposure to equity hedge funds. As a result, the portfolio tended to outperform the indices on the downside. At 31 July 2008 the core holdings comprised the Newton UK equity portfolio (£19m), the Newton Global ex-UK equity portfolio (£31m), Schrodgers UK equities fund (£19m) and Charifund UK equities (£16m).

#### Income from Investments

The income from investments for the year was £5.14m, compared to £6.07m the previous year, a reduction of 15.3%. This performance was a reflection of the much more difficult investment market conditions experienced during the year. For future years, it has been agreed that the income from the portion of the endowment previously earmarked for the purchase of Gates House could be applied to scholarships.

#### Ethical Investment Policy

The Trustees do not at present have a formal ethical investment policy. They ask their investment managers to aim for investments which provide the best overall total return taking capital and income together, consistent with prudent levels of risk.

# **GATES CAMBRIDGE TRUST**

## **TRUSTEES' REPORT FOR 2007-08**

### **7. FINANCIAL POSITION OF THE GATES CAMBRIDGE TRUST**

The average net value of the Trust's endowment at the end of the past 3 years was £163m, exclusive of £7m earmarked for a Gates House and the cost of portfolio management. The Trustees agreed to make 110 new awards from October 2008, requiring total expenditure of about £6.1m in 2008-09; this expenditure represented 3.8% of the average capital valuation over the previous three years. The Trustees are keeping the level of disbursement under close review in the light of current market conditions and are likely to continue to adopt a cautious attitude.

A central objective is at least to maintain the value of the financial assets of the Trust in real terms over the medium term by a successful investment policy and to secure an income which rises in line with costs.

### **8. RESERVES POLICY**

The initial donation from the Gates Foundation in 2000 was intended to provide total returns to cover the costs of scholarships, awarded as specified in the Trust Deed. As stated in paragraph 6 above, the Trustees determine their disbursement policy on a cautious basis, currently spending less than 4% of the asset value of the endowment of the Trust. It is hoped in this way that the real value of the endowments of the Trust can be maintained and a steadily increased return be obtained to cover inflationary increases in costs.

### **9. PLANS FOR FUTURE PERIODS**

The Trustees aim to continue to offer scholarships to c100-110 outstanding candidates each year, with a wide geographical spread including c40 from the USA. Maintaining the quality of the intake within the terms of reference of the Trust Deed (intellectual ability, leadership capacity and desire to use knowledge gained by providing service to communities and to improve the lives of others) is a central objective. This is achieved by shortlisting from the most outstanding applicants for postgraduate study at Cambridge University as advised by Heads of Departments and by interviewing by distinguished panels. Performance at Cambridge is monitored and a further aim is successful course completion in all cases. Since postgraduate qualifications are not classed, the standard achieved by Gates Scholars cannot be verified numerically, but comments of Departmental and Faculty staff supervising students are received via regular reports and the aim is to see evidence widely of excellence in work undertaken and submitted.

Based on their current disbursement policy, the Trustees plan to offer in the order of 100-110 new awards for October 2009, following selection procedures analogous to those followed for entry in previous years. This should result in c290 Gates Cambridge Scholars in residence in 2008-09, thus exceeding the Trust's target of 225 in residence at steady state. Of this target c100 will be from the USA.

### **10. RISK MANAGEMENT**

The Trustees have examined the major strategic, business and operational risks which the charity faces in its area of activity, which is essentially the selection and support at Cambridge University of outstanding students from overseas, having qualities consistent with the Trust Deed. The Trustees receive regular reports on the activities of the Trust at their meetings and consider this gives them adequate warning of risks and allows them to put in hand on a timely basis any necessary actions to lessen or avoid them.

# **GATES CAMBRIDGE TRUST**

## **TRUSTEES' REPORT FOR 2007-08**

### **11. STATEMENT OF TRUSTEES' RESPONSIBILITIES**

Law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the incoming resources and application of the resources of the charity during the year and of its state of affairs at the end of the year. In preparing financial statements giving a true and fair view, the Trustees are required to follow best practice and to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain its financial position and to ensure that the financial statements comply with the Charities Act 1993, the Charities (Accounts and Reports) Regulations 1995 and 2000 and the Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on

Signed on behalf of the Trustees

# **GATES CAMBRIDGE TRUST**

## **LEGAL AND ADMINISTRATIVE DETAILS**

### **TRUSTEES**

The trustees for the year 2007-08 were the following:

Professor Alison Richard (Chairman)  
Professor Lord Broers FRS PREng  
Mr William H. Gates Snr  
Dr William Gerberding  
Mrs Anne Lonsdale CBE  
Baroness O'Neill of Bengarve FBA  
Professor Lord Rees of Ludlow PRS

### **TRUST ADDRESS**

PO Box 252  
Cambridge CB2 1TZ

### **BANKERS**

NatWest Bank plc  
23 Market Street  
Cambridge CB2 3PA

### **AUDITORS**

Deloitte LLP  
Chartered Accountants  
City House  
126-130 Hills Road  
Cambridge CB2 1RY

### **LEGAL STATUS**

The Trust was established by means of a Deed of Trust dated 10 October 2000. The University of Cambridge is the Custodian Trustee of the charity.

The Trust is a UK exempt charity with Inland Revenue reference no. XR44902.

### **ANNUAL REPORT**

These financial statements should be read in conjunction with the Trustees' Annual Report which is published on the same date as these accounts.

## **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF GATES CAMBRIDGE TRUST**

We have audited the financial statements of Gates Cambridge Trust for the year ended 31 July 2008 which comprise the statement of financial activities, the balance sheet, the cash flow statement, the notes to the cash flow statement, the accounting policies and the related notes 1 to 10. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's trustees, as a body, in accordance with section 43 of the Charities Act 1993 and regulations made under section 44 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditors**

The trustees' responsibilities for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993 and the trust deed. We also report to you if, in our opinion, the trustees' report is not consistent with the financial statements, if the charity has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF  
GATES CAMBRIDGE TRUST (continued)**

**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31 July 2008 and of its incoming resources and application of resources for the year then ended; and
- the financial statements have been properly prepared in accordance with the Charities Act 1993 and the trust deed.

**Deloitte LLP**

Chartered Accountants and  
Registered Auditors

Cambridge, United Kingdom

# GATES CAMBRIDGE TRUST

## STATEMENT OF FINANCIAL ACTIVITIES

Year ended 31 July 2008

	Note	Total unrestricted funds	
		2008	2007
		£'000	£'000
<b>INCOMING RESOURCES FROM GENERATED FUNDS</b>			
Investment income	1	5,143	6,071
<b>TOTAL INCOMING RESOURCES</b>		<u>5,143</u>	<u>6,071</u>
<b>RESOURCES EXPENDED</b>			
<b>Investment management costs</b>		<u>414</u>	<u>422</u>
<b>Charitable expenditure:</b>			
Charitable activities	2	5,348	4,408
Governance costs	3	49	48
Other resources expended	4	36	28
		<u>5,433</u>	<u>4,484</u>
<b>TOTAL RESOURCES EXPENDED</b>		<u>5,847</u>	<u>4,906</u>
<b>NET (OUTGOING) INCOMING RESOURCES FOR THE YEAR</b>	6	(704)	1,165
<b>(Losses) gains on market and currency revaluations and disposal of investment assets</b>	8	<u>(13,053)</u>	<u>13,753</u>
<b>NET MOVEMENT IN FUNDS</b>		<u>(13,757)</u>	<u>14,918</u>
<b>TOTAL FUNDS</b> brought forward at 1 August		<u>179,611</u>	<u>164,693</u>
<b>TOTAL FUNDS</b> carried forward at 31 July		<u><u>165,854</u></u>	<u><u>179,611</u></u>

All transactions derived from continuing activities.

There are no recognised gains and losses for the current financial year and preceding financial year other than as stated in the statement of financial activities.

# GATES CAMBRIDGE TRUST

## BALANCE SHEET

31 July 2008

	Note	2008 £'000	2007 £'000
<b>FIXED ASSETS</b>			
Tangible assets for use by the charity	7	81	84
Investments	8	161,969	168,408
		<u>162,050</u>	<u>168,492</u>
<b>CURRENT ASSETS</b>			
Debtors		885	1,015
Cash at bank			
Cash held by brokers		2,781	640
Monies on deposit		294	9,580
Current account		38	26
		<u>3,113</u>	<u>10,246</u>
		<u>3,998</u>	<u>11,261</u>
<b>CREDITORS: amounts falling due within one year</b>			
Accruals		194	142
		<u>3,804</u>	<u>11,119</u>
<b>NET CURRENT ASSETS</b>			
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>165,854</u>	<u>179,611</u>
<b>FUNDS</b>			
Unrestricted funds		<u>165,854</u>	<u>179,611</u>

These financial statements were approved by the trustees on

Signed on behalf of the trustees

# GATES CAMBRIDGE TRUST

## CASH FLOW STATEMENT

Year ended 31 July 2008

	Note	£'000	2008 £'000	£'000	2007 £'000
Net cash (outflow) inflow from operating activities	a		(486)		1,057
<b>Capital expenditure</b>					
Net proceeds from investments		(6,614)		6,590	
Purchase of fixed assets		(33)		(112)	
Net cash (outflow) inflow from capital expenditure			<u>(6,647)</u>	<u>6,590</u>	<u>6,478</u>
(Decrease) increase in cash	b		(7,133)		7,535
Net funds at 1 August 2007			<u>10,246</u>		<u>2,711</u>
Net funds at 31 July 2008			<u><u>3,113</u></u>		<u><u>10,246</u></u>

# GATES CAMBRIDGE TRUST

## NOTES TO THE CASH FLOW STATEMENT Year ended 31 July 2008

	<b>2008</b>	<b>2007</b>	
	<b>£'000</b>	<b>£'000</b>	
<b>a. Reconciliation of (outgoing) incoming resources to net cash (outflow) inflow from operating activities</b>			
Net (outgoing) incoming resources	(704)	1,165	
Depreciation	36	28	
Decrease (increase) in debtors	130	(118)	
Increase (decrease) in creditors	52	(18)	
	<hr/>	<hr/>	
<b>Net cash (outflow) inflow from operating activities</b>	<b>(486)</b>	<b>1,057</b>	
	<hr/> <hr/>	<hr/> <hr/>	
<b>b. Analysis of the balance of cash as shown in the balance sheet</b>			
	<b>At</b>	<b>Increase</b>	<b>At</b>
	<b>1 August</b>	<b>(decrease)</b>	<b>31 July</b>
	<b>2007</b>	<b>in year</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Cash held by brokers	640	2,141	2,781
Deposit balances	9,580	(9,286)	294
Current account	26	12	38
	<hr/>	<hr/>	<hr/>
	<b>10,246</b>	<b>(7,133)</b>	<b>3,113</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>



# GATES CAMBRIDGE TRUST

## NOTES TO THE ACCOUNTS Year ended 31 July 2008

### 1. INVESTMENT INCOME

	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
Interest receivable	1,312	1,066
Dividend income received	3,161	4,429
Distribution from property funds	670	576
	<u>5,143</u>	<u>6,071</u>

### 2. CHARITABLE ACTIVITIES

	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
Grants	4,604	3,807
Support costs:		
Staff costs	188	166
Interview costs	90	66
Joint administration costs	250	250
Other support costs	110	46
Gates common room	148	114
Transfer of costs relating to governance	(42)	(41)
	<u>5,348</u>	<u>4,408</u>

### 3. GOVERNANCE

	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
Audit and accountancy	7	7
Transfer of costs relating to governance	42	41
	<u>49</u>	<u>48</u>

# GATES CAMBRIDGE TRUST

## NOTES TO THE ACCOUNTS Year ended 31 July 2008

### 4. OTHER RESOURCES EXPENDED

	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
Depreciation	36	28

### 5. INFORMATION REGARDING EMPLOYEES AND TRUSTEES

	<b>2008</b>	<b>2007</b>
	<b>No</b>	<b>No</b>
Average number of employees during the year being full time equivalent for part time staff	8	8
	<b>£'000</b>	<b>£'000</b>
Total emoluments (remuneration and taxable benefits)	188	191

No managing trustee, or person related or connected by business to them, has received any remuneration or reimbursement of expenses from the trust during the year or preceding period.

The emoluments of one member of staff, including benefits in kind, are within the range £100,000 to £105,000 (2007 - one employee earned between £100,000 to £105,000).

### 6. NET (OUTGOING) INCOMING RESOURCES

	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
Net (outgoing) incoming resources for the year is stated after charging:		
Auditors' remuneration for audit services	7	7
Depreciation	36	28

# GATES CAMBRIDGE TRUST

## NOTES TO THE ACCOUNTS Year ended 31 July 2008

### 7. TANGIBLE ASSETS FOR USE BY THE CHARITY

	<b>Furniture and equipment £'000</b>
Cost	
At 1 August 2007	405
Additions	33
	<hr/>
At 31 July 2008	438
	<hr/>
Depreciation	
At 1 August 2007	321
Charge for the year	36
	<hr/>
At 31 July 2008	357
	<hr/>
Net book value	
At 31 July 2008	81
	<hr/> <hr/>
At 31 July 2007	84
	<hr/> <hr/>

### 8. INVESTMENTS HELD AS FIXED ASSETS

	<b>2008 £'000</b>	<b>2007 £'000</b>
Investments at market value	168,408	161,245
Net proceeds (purchases)	6,614	(6,590)
(Losses) gains on currency and market revaluations and disposals of investment assets	(13,053)	13,753
	<hr/>	<hr/>
Market value at 31 July 2008	161,969	168,408
	<hr/> <hr/>	<hr/> <hr/>

Investments are revalued at middle market values at the year end. All investments are held as unrestricted funds.

Of the above investments as at 31 July 2008 £69,257,523 (2007 - £55,653,182) are held outside the UK.

# GATES CAMBRIDGE TRUST

## NOTES TO THE ACCOUNTS

Year ended 31 July 2008

### 9. INVESTMENTS HELD AS FIXED ASSETS (continued)

Investments at market value comprised:

	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
Cash deposits - sterling	1,872	8,520
Equities - UK	55,757	69,849
Equities - Global excluding UK	30,072	36,932
Fixed income - UK	13,541	13,819
Property	15,337	9,510
Hedge funds, absolute return, private equity and venture capital		
- UK	15,287	11,057
- Other	30,103	18,721
	<u>161,969</u>	<u>168,408</u>

### 10. RELATED PARTY TRANSACTIONS

The Gates Cambridge Trust, in providing scholarships and otherwise, contributed £1,722k (2007 - £1,447k) to the University in academic fees. Payment to the various colleges of the university amounted to £421k (2007 - £379k).