

Section A: Unaudited accounts in respect of academic activities

The scope and basis of preparation differ from the University's financial statements for 2010–11 in that these unaudited accounts exclude the income and expenditure, assets and liabilities of Cambridge Assessment (the Local Examinations Syndicate and its subsidiary undertakings) and of Cambridge University Press, and also exclude from consolidation five associated Trusts. The unaudited accounts have been prepared following the same accounting policies as the audited financial statements for the year ended 31 July 2011. Endowment and investment income includes the full value of distributions from the Cambridge University Endowment Fund.

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

UNAUDITED CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT IN RESPECT OF ACADEMIC ACTIVITIES FOR THE YEAR ENDED 31 JULY 2011

	<i>Note</i>	Year ended 31 July 2011 £m	Year ended 31 July 2010 £m
Restated			
Income			
Funding body grants	<i>i</i>	203.5	205.3
Academic fees and support grants	<i>ii</i>	127.3	110.1
Research grants and contracts	<i>iii</i>	283.7	267.7
Other income	<i>iv</i>	128.5	123.2
Endowment and investment income	<i>v</i>	49.1	44.6
Total income		792.1	750.9
Expenditure			
Staff costs	<i>vi, vii</i>	420.3	405.2
Other operating expenses	<i>vii</i>	300.9	279.0
Depreciation	<i>vii</i>	54.4	52.2
Total expenditure	<i>vii</i>	775.6	736.4
Surplus on continuing operations		16.5	14.5
Surplus transferred from endowment funds	<i>xvi</i>	8.8	13.7
Surplus for the year retained within general reserves		25.3	28.2

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

Income for the year ended 31 July 2010 has been reclassified to ensure comparability with the presentation of income for the year ended 31 July 2011, as described in notes ii and iv.

UNAUDITED NOTE OF HISTORICAL COST RESULT FOR THE YEAR ENDED 31 JULY 2011

Surplus on continuing operations		16.5	14.5
Realisation of (losses) / gains on disposal of fixed asset investments	<i>xvii</i>	1.4	(9.3)
Depreciation on revaluation element of fixed tangible assets	<i>xvii</i>	6.0	6.0
Historical cost surplus for the year		23.9	11.2

UNAUDITED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES IN RESPECT OF ACADEMIC ACTIVITIES FOR THE YEAR ENDED 31 JULY 2011

		Year ended 31 July 2011	Year ended 31 July 2010
	<i>Note</i>	£m	£m
Surplus on continuing operations		16.5	14.5
Increase in market value of investments			
Endowment assets	<i>xvi</i>	58.9	64.6
Fixed asset investments	<i>xvii</i>	23.3	30.2
New endowment capital	<i>xvi</i>	45.4	45.0
Total recognised gains relating to the year		<u>144.1</u>	<u>154.3</u>
Total gains since the last annual report		<u>144.1</u>	<u>154.3</u>
Reconciliation			
Opening reserves and endowments as previously stated		1,515.4	1,361.1
Total recognised gains relating to the year		<u>144.1</u>	<u>154.3</u>
Closing reserves and endowments		<u>1,659.5</u>	<u>1,515.4</u>

**UNAUDITED BALANCE SHEETS IN RESPECT OF
ACADEMIC ACTIVITIES AS AT 31 JULY 2011**

		Group 31 July 2011	Group 31 July 2010	University 31 July 2011	University 31 July 2010
	Note	£m	£m	£m	£m
Fixed assets					
Tangible assets	<i>ix</i>	991.8	972.6	1,000.8	981.1
Investments	<i>x</i>	374.1	295.5	371.3	291.4
		1,365.9	1,268.1	1,372.1	1,272.5
Endowment assets	<i>xi</i>	852.8	757.3	852.8	756.8
Current assets					
Stocks and work in progress		1.5	1.5	1.2	1.2
Debtors	<i>xii</i>	116.9	124.4	113.2	124.3
Investments					
University	<i>xiii</i>	138.9	160.2	137.1	158.3
Held on behalf of others	<i>xiii</i>	493.8	312.3	495.6	314.2
Cash at bank and in hand		15.9	11.8	4.3	0.1
		767.0	610.2	751.4	598.1
Creditors: amounts falling due within one year	<i>xiv</i>	(759.2)	(563.3)	(745.6)	(552.4)
Net current assets		7.8	46.9	5.8	45.7
Total assets less current liabilities		2,226.5	2,072.3	2,230.7	2,075.0
Total net assets		2,226.5	2,072.3	2,230.7	2,075.0
Represented by:					
Deferred capital grants	<i>xv</i>	567.0	556.9	567.0	556.9
Endowments					
Expendable endowments	<i>xvi</i>	187.2	165.6	187.1	165.5
Permanent endowments	<i>xvi</i>	665.6	591.7	665.7	591.3
	<i>xvi</i>	852.8	757.3	852.8	756.8
Reserves					
General reserves	<i>xvii</i>	596.3	563.5	605.9	573.3
Operational property revaluation reserve	<i>xvii</i>	133.2	139.2	133.2	139.2
Fixed asset investment revaluation reserve	<i>xvii</i>	77.2	55.4	71.8	48.8
	<i>xvii</i>	806.7	758.1	810.9	761.3
Total		2,226.5	2,072.3	2,230.7	2,075.0

NOTES TO THE UNAUDITED ACCOUNTS IN RESPECT OF ACADEMIC ACTIVITIES

	2011 £m	2010 £m
i Funding body grants		
Higher Education Funding Council for England (HEFCE)		
Recurrent grant	177.0	179.7
Specific grants	8.9	8.1
Deferred capital grant released in year (note xv)		
Equipment	4.0	4.2
Buildings	10.9	10.6
HEFCE total	200.8	202.6
Training and Development Agency for Schools		
Recurrent grant	2.7	2.7
	203.5	205.3
ii Academic fees and support grants		<i>Restated</i>
Full-time home / EU students	49.5	46.3
Full-time overseas (non-EU) students	48.7	42.5
Other course fees	21.3	16.0
Research Training Support Grants	7.8	5.3
	127.3	110.1
<p>Other course fees includes fees earned on executive education and other programmes run by subsidiary companies. In previous years this income was included in other income under the heading "University companies". Comparative figures have been restated, as a result of which £8.1m of income for the year ended 31 July 2010 previously included in other income is now included in academic fees and support grants.</p>		
iii Income: research grants and contracts		
Research councils	105.9	111.1
UK based charities	84.4	77.8
Other bodies	93.4	78.8
	283.7	267.7
<p>Total research grants and contracts income excludes grants of £7.6m (2010: £5.0m) for the purchase of equipment but includes £9.9m (2010: £7.3m) released from deferred capital grants to match depreciation of which £7.4m (2010: £7.3m) related to equipment. See note xv.</p>		
iv Other income		<i>Restated</i>
Other services rendered	32.1	30.2
Health and hospital authorities	16.7	16.0
Residences, conferences and catering	8.8	7.5
Income from intellectual property	7.4	5.6
Released from deferred capital grants (note xv)	7.7	8.7
Transferred from Cambridge Assessment	14.7	14.9
Unrestricted donations	13.6	12.1
Rental income	7.1	7.0
Donations of, and for the purchase of, heritage assets (see note below)	1.3	3.6
Sundry income	19.1	17.6
	128.5	123.2

In previous years donations of, and for the purchase of, heritage assets were shown separately on the face of the income and expenditure account.

Income generated by subsidiary companies is included under the appropriate headings. In previous years some such income was reported against a heading "University companies" included in other income. Comparative figures have been restated, as a result of which £8.1m of income for the year ended 31 July 2010 previously included in other income is now included in academic fees and support grants.

NOTES TO THE UNAUDITED ACCOUNTS IN RESPECT OF ACADEMIC ACTIVITIES (continued)		2011	2010
		£m	£m
v	Endowment and investment income		
	Income from expendable endowment assets	5.8	5.1
	Income from permanent endowment assets	26.2	24.6
	Income from fixed asset investments	8.2	7.7
	Income from short-term investments	8.9	7.2
		49.1	44.6

vi	Staff costs	2011	2010
		£m	£m
	Wages and salaries	325.3	313.0
	Social security costs	27.5	26.7
	Pension costs (note xix)	67.5	65.5
		420.3	405.2

Wages and salaries includes £5.6m (2010: £nil) in respect of a voluntary severance scheme.

Remuneration of the Vice-Chancellors		2011	2010
		£000	£000
	Current Vice-Chancellor		
	Remuneration excluding employer's pension contributions	223	–
	Employer's pension contributions	35	–
	Previous Vice-Chancellor		
	Remuneration excluding employer's pension contributions	54	249
	Employer's pension contributions	–	–
		312	249

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

	Clinical		Non-Clinical		Total number	
	2011	2010	2011	2010	2011	2010
£100,001 – £110,000	20	20	28	33	48	53
£110,001 – £120,000	12	11	31	30	43	41
£120,001 – £130,000	5	4	20	14	25	18
£130,001 – £140,000	11	8	6	5	17	13
£140,001 – £150,000	13	12	3	3	16	15
£150,001 – £160,000	6	10	6	5	12	15
£160,001 – £170,000	7	7	2	2	9	9
£170,001 – £180,000	4	5	3	1	7	6
£180,001 – £190,000	5	3	1	–	6	3
£190,001 – £200,000	6	5	–	3	6	8
£200,001 – £210,000	2	4	–	–	2	4
£210,001 – £220,000	2	1	–	–	2	1
£220,001 – £230,000	1	1	–	–	1	1
£240,001 – £250,000	–	–	1	1	1	1
£250,001 – £260,000	–	–	–	–	–	–
£260,001 – £270,000	–	–	1	–	1	–
£290,001 – £300,000	–	–	–	1	–	1
£300,001 – £310,000	–	–	1	–	1	–
£330,001 – £340,000	–	–	–	1	–	1
£350,001 – £360,000	–	–	1	–	1	–

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

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

vii Analysis of expenditure by activity

	Staff costs £m	Other operating expenses £m	Depreciation £m	2011 Total £m	2010 Total £m
					<i>Restated</i>
Academic departments	191.4	45.9	6.9	244.2	240.1
Academic services	24.5	11.3	1.2	37.0	34.8
Payments to Colleges	–	40.8	–	40.8	39.5
Research grants and contracts	127.1	100.0	9.9	237.0	222.0
Other activities:					
Other services rendered	11.2	18.2	0.1	29.5	27.7
Intellectual property	2.2	3.5	–	5.7	4.7
Residences, conferences and catering	2.8	8.3	0.1	11.2	10.3
Other activities total	16.2	30.0	0.2	46.4	42.7
Administration and central services:					
Administration	35.9	6.9	2.1	44.9	42.2
General educational	1.1	24.6	–	25.7	22.7
Staff and student facilities	3.6	0.7	–	4.3	4.3
Development Office	2.9	3.3	–	6.2	6.4
Other	5.4	2.0	–	7.4	0.9
Administration and central services total	48.9	37.5	2.1	88.5	76.5
Premises	12.2	35.4	34.1	81.7	80.8
Total per income and expenditure account	420.3	300.9	54.4	775.6	736.4

The depreciation charge has been funded by:

Deferred capital grants (note xv)	32.4
Revaluation reserve (note xvii)	6.0
General income	16.0
	54.4

Expenditure incurred by subsidiary companies is included under the appropriate headings. In previous years some such expenditure was reported against a heading "University companies". Comparative figures have been restated.

Auditors' remuneration

	2011 £000	2010 £000
Other operating expenses include:		
Audit fees payable to the University's external auditors	176	162
Other fees payable to the University's external auditors	84	8
Audit fees payable to other firms	2	2
	262	172

These amounts include related irrecoverable VAT.

viii Surplus on continuing operations for the year

	2011 £m	2010 £m
The surplus on continuing operations for the year is made up as follows:		
University's surplus for the year	14.3	9.9
Surplus generated by subsidiary undertakings and transferred to the University under gift aid	2.7	5.2
	17.0	15.1
Surplus dealt with in the accounts of the University	17.0	15.1
Deficit retained in subsidiary undertakings	(0.5)	(0.6)
	16.5	14.5

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

ix Tangible fixed assets	Land and buildings	Assets in construction	Equipment	Heritage assets	2011 Total	2010 Total
<i>Group</i>	£m	£m	£m	£m	£m	£m
Cost or valuation						
At 1 August	1,039.0	90.9	179.2	34.8	1,343.9	1,261.9
Additions at cost	(1.0)	57.3	16.5	1.4	74.2	86.9
Transfers	100.8	(100.8)	–	–	–	–
Disposals	(0.3)	–	(8.4)	–	(8.7)	(4.9)
At 31 July	1,138.5	47.4	187.3	36.2	1,409.4	1,343.9
Depreciation						
At 1 August	231.1	–	140.2	–	371.3	323.0
Charge for the year	36.7	–	17.7	–	54.4	52.2
Elimination on disposals	(0.1)	–	(8.0)	–	(8.1)	(3.9)
At 31 July	267.7	–	149.9	–	417.6	371.3
Net book value						
At 31 July	870.8	47.4	37.4	36.2	991.8	972.6
At 1 August	807.9	90.9	39.0	34.8	972.6	938.9
University						
Cost or valuation						
At 1 August	1,050.9	90.9	178.5	34.7	1,355.0	1,271.0
Additions at cost	–	57.3	16.5	1.5	75.3	88.8
Transfers	100.8	(100.8)	–	–	–	0.0
Disposals	(0.3)	–	(8.4)	–	(8.7)	(4.8)
At 31 July	1,151.4	47.4	186.6	36.2	1,421.6	1,355.0
Depreciation						
At 1 August:	234.2	–	139.7	–	373.9	325.2
Charge for the year	37.2	–	17.6	–	54.8	52.6
Elimination on disposals	(0.1)	–	(7.8)	–	(7.9)	(3.9)
At 31 July	271.3	–	149.5	–	420.8	373.9
Net book value						
At 31 July	880.1	47.4	37.1	36.2	1,000.8	981.1
At 1 August	816.7	90.9	38.8	34.7	981.1	945.8

Land and buildings includes land totalling £75.0m (2010: £71.8m) which is not depreciated.

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

Heritage assets

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

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

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

Additions for the current and previous four years were as follows:	2011 £m	2010 £m	2009 £m	2008 £m	2007 £m
Acquisitions purchased with specific donations	0.1	1.7	–	0.4	1.0
Value of acquisitions by donation	1.2	1.9	0.7	8.3	2.6
Total acquired by, or funded by, donations	1.3	3.6	0.7	8.7	3.6
Acquisitions purchased with University funds	0.1	0.2	–	0.3	0.3
Total acquisitions capitalised	1.4	3.8	0.7	9.0	3.9

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

	Group 2011 £m	Group 2010 £m	University 2011 £m	University 2010 £m
x Fixed asset investments				
Opening balance	295.5	262.6	291.4	259.6
Net additions in the year	55.3	2.7	55.4	1.8
Increase in market value of investments	23.3	30.2	24.5	30.0
Closing balance	374.1	295.5	371.3	291.4
Represented by:				
Property	59.4	56.8	60.2	57.8
Securities	282.7	207.8	282.7	207.8
Money market investments	0.4	0.5	0.4	0.5
Investments in subsidiary undertakings	–	–	1.7	1.7
Investment in spin-out companies	8.4	9.7	3.0	2.9
Cash in hand and at investment managers	23.2	20.7	23.3	20.7
Other	–	–	–	–
	374.1	295.5	371.3	291.4
xi Endowment assets				
Long-term Investments				
Property	44.3	49.8	44.3	49.8
Securities	696.1	592.9	696.1	592.9
Money market investments	52.1	54.2	52.1	53.7
Cash in hand and at investment managers	55.5	56.6	55.5	56.6
	848.0	753.5	848.0	753.0
Investment in spin-out companies	4.8	3.8	4.8	3.8
	852.8	757.3	852.8	756.8
xii Debtors				
Research grants recoverable	59.8	62.4	59.8	62.4
Amounts due from subsidiary undertakings, Cambridge Assessment and Cambridge University Press	16.3	17.9	21.0	24.0
Other debtors	40.8	44.1	32.4	37.9
	116.9	124.4	113.2	124.3
xiii Current asset investments				
Property	25.4	16.2	25.4	16.2
Securities	394.7	187.8	394.7	187.8
Money market investments	180.1	249.7	180.1	249.7
Cash in hand and at investment managers	32.5	–	32.5	–
	632.7	453.7	632.7	453.7
Representing:				
University	138.9	160.2	137.1	158.3
Held on behalf of subsidiary undertakings, Colleges and other associated bodies (see note xiv)	493.8	312.3	495.6	314.2
	632.7	472.5	632.7	472.5
Current asset investments include investments held on behalf of subsidiary undertakings, Colleges and other associated bodies. The book value of these investments is included in creditors due within one year.				
xiv Creditors: amounts falling due within one year				
Bank overdraft	–	1.7	–	1.7
Research grants received in advance	107.4	78.2	107.4	78.2
Other creditors	158.0	171.2	142.6	158.3
Investments held on behalf of subsidiary undertakings, Colleges and other associated bodies (see note xiii)	493.8	312.2	495.6	314.2
	759.2	563.3	745.6	552.4

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

xv Deferred capital grants

<i>Group and University</i>	Funding Council £m	Research Grants £m	Other Grants £m	2011 Total £m	2010 £m
Balance 1 August					
Buildings	169.5	–	367.7	537.2	496.1
Equipment	7.4	11.9	0.4	19.7	23.6
	176.9	11.9	368.1	556.9	519.7
Grants received					
Buildings	23.0	75.2	(67.9)	30.3	60.0
Equipment	4.6	7.6	0.3	12.5	7.9
	27.6	82.8	(67.6)	42.8	67.9
Released to income and expenditure					
Buildings – to match depreciation	(10.9)	(2.5)	(7.3)	(20.7)	(18.9)
Equipment – to match depreciation	(4.0)	(7.4)	(0.3)	(11.7)	(11.8)
Equipment – on disposals	–	(0.3)	–	(0.3)	–
	(14.9)	(10.2)	(7.6)	(32.7)	(30.7)
Balance 31 July					
Buildings	181.6	72.7	292.5	546.8	537.2
Equipment	8.0	11.8	0.4	20.2	19.7
	189.6	84.5	292.9	567.0	556.9

xvi Endowments

<i>Group</i>	Expendable £m	Permanent £m	2011 Total £m	2010 Total £m
Balance 1 August	165.6	591.7	757.3	661.4
Endowments received	23.9	21.5	45.4	45.0
Income receivable from endowment asset investments	5.8	26.2	32.0	29.7
Expenditure	(18.5)	(22.3)	(40.8)	(43.4)
Net transfer (to) / from income and expenditure account	(12.7)	3.9	(8.8)	(13.7)
Increase in market value of investments	10.4	48.5	58.9	64.6
Balance 31 July	187.2	665.6	852.8	757.3
Capital	175.9	587.9	763.8	689.3
Unspent income	11.3	77.7	89.0	68.0
Balance 31 July	187.2	665.6	852.8	757.3
Representing:				
Trust and Special Funds:				
Professorships, Readerships and Lectureships	36.2	326.9	363.1	277.7
Scholarships and bursaries	10.1	87.8	97.9	74.3
Other	104.9	242.9	347.8	364.8
Specific donations	36.0	–	36.0	33.2
General endowments	–	8.0	8.0	7.3
Total	187.2	665.6	852.8	757.3

University

	Expendable £m	Permanent £m	2011 Total £m	2010 Total £m
Balance 1 August	165.5	591.3	756.8	662.4
Endowments received	23.9	21.5	45.4	45.0
Income receivable from endowment asset investments	5.8	26.2	32.0	29.7
Expenditure	(18.5)	(21.8)	(40.3)	(42.8)
Net transfer (to) / from income and expenditure account	(12.7)	4.4	(8.3)	(13.1)
Increase in market value of investments	10.4	48.5	58.9	62.5
Balance 31 July	187.1	665.7	852.8	756.8
Capital	175.8	588.0	763.8	688.8
Unspent income	11.3	77.7	89.0	68.0
Balance 31 July	187.1	665.7	852.8	756.8

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

xvii Reserves
Group

	General reserves £m	Operational property revaluation reserve £m	Fixed asset investment revaluation reserve £m	2011 Total £m	2010 Total £m
Balance 1 August	563.5	139.2	55.4	758.1	699.7
Surplus retained for the year	25.3	–	–	25.3	28.2
Transfer in respect of depreciation on revalued operational properties	6.0	(6.0)	–	–	–
Transfer in respect of disposals of fixed asset investments	1.5	–	(1.5)	–	–
Increase in market value of investments	–	–	23.3	23.3	30.2
Balance 31 July	596.3	133.2	77.2	806.7	758.1

University

	General reserves £m	Operational property revaluation reserve £m	Fixed asset investment revaluation reserve £m	2011 Total £m	2010 Total £m
Balance 1 August	573.3	139.2	48.8	761.3	701.6
Surplus retained for the year	25.1	–	–	25.1	29.7
Transfer in respect of depreciation on revalued operational properties	6.0	(6.0)	–	–	–
Transfer in respect of disposals of fixed asset investments	1.5	–	(1.5)	–	–
Increase in market value of investments	–	–	24.5	24.5	30.0
Balance 31 July	605.9	133.2	71.8	810.9	761.3

xviii Capital commitments

	2011 £m	2010 £m
Commitments contracted at 31 July	80.4	86.1
Authorised but not contracted at 31 July	–	–

Of the capital expenditure committed at 31 July 2011, approximately 67% (2010: 65%) will be funded by specific grants and donations.

xix Pension schemes

The two principal pension schemes for the University's staff are the Universities Superannuation Scheme (USS) and the Cambridge University Assistants' Contributory Pension Scheme (CPS). Employees covered by the schemes are contracted out of the State Second Pension. The assets of the schemes are held in separate trustee-administered funds. The USS and the CPS are not closed, nor is the age profile of their active membership rising significantly. The schemes are defined benefit schemes which are valued every three years using the projected unit method, by professionally qualified actuaries, the rates of contribution payable being determined by the trustees on the advice of the actuaries. The University also has a smaller number of staff in other pension schemes, including the National Health Service Pension Scheme (NHSPS)

	2011 £m	2010 £m
The total pension cost for the year (see note vi) was:		
USS: contributions	47.3	45.5
CPS: contributions	17.8	17.8
NHSPS: contributions	1.9	1.8
Contributions to other pension schemes	0.5	0.4
	67.5	65.5