

Section A: Unaudited accounts in respect of academic activities

The scope and basis of preparation differ from the University's financial statements for 2004-05 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 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 2005.

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 2005

	<i>Note</i>	Year ended 31 July 2005 £m	Year ended 31 July 2004 £m
Income			
Funding Council and Teacher Training Agency grants	<i>i</i>	162.3	154.9
Academic fees and support grants	<i>ii</i>	56.0	57.3
Research grants and contracts	<i>iii</i>	188.7	176.3
Other income	<i>iv</i>	89.5	80.7
Endowment and investment income	<i>v</i>	29.0	25.2
Total income		525.5	494.4
Expenditure			
Staff costs	<i>vi, vii</i>	283.2	275.7
Other operating expenses	<i>vii</i>	204.4	202.6
Depreciation	<i>vii</i>	35.3	31.2
Total expenditure	<i>vii</i>	522.9	509.5
Surplus / (deficit) on continuing operations	<i>viii</i>	2.6	(15.1)
Transfer to accumulated income within specific endowments	<i>xvi</i>	(2.3)	(1.8)
Surplus / (deficit) for the year retained within general reserves		0.3	(16.9)

Unaudited statement of total recognised gains and losses in respect of academic activities for the year ended 31 July 2005

	<i>Note</i>	Year ended 31 July 2005 £m	Year ended 31 July 2004 £m
Surplus / (deficit) on income and expenditure account		2.6	(15.1)
Increase in market value of investments			
Endowments	<i>xvi</i>	68.7	16.4
Reserves	<i>xvii</i>	20.7	6.7
New endowment capital	<i>xvi</i>	13.7	29.9
Transfer from Cambridge Assessment to University reserves	<i>xvii</i>	10.5	–
Total recognised gains and (losses) relating to the year		116.2	37.9
Reconciliation			
Opening reserves and endowments as previously stated		1,060.8	
Total gains and (losses) since the last annual report		116.2	
Closing reserves and endowments		1,177.0	

Unaudited balance sheets as at 31 July 2005

	<i>Note</i>	Group 31 July 2005	Group 31 July 2004	University 31 July 2005	University 31 July 2004
		£m	£m	£m	£m
Fixed assets					
Tangible assets	<i>ix</i>	805.0	744.7	811.2	750.8
Investments	<i>x</i>	141.1	125.3	141.9	125.2
		946.1	870.0	953.1	876.0
Endowment asset investments	<i>xi</i>	546.2	461.5	546.2	459.4
Current assets					
Stocks		0.5	0.4	0.1	0.1
Debtors	<i>xii</i>	98.2	84.4	95.3	83.5
Investments					
University	<i>xiii</i>	151.1	159.5	150.6	159.5
Held on behalf of others	<i>xiii</i>	178.7	188.9	179.3	188.9
Cash at bank and in hand		2.5	1.8	–	–
		431.0	435.0	425.3	432.0
Creditors: amounts falling due within one year	<i>xiv</i>	(321.7)	(350.6)	(316.4)	(347.1)
Net current assets		109.3	84.4	108.9	84.9
Total assets less current liabilities		1,601.6	1,415.9	1,608.2	1,420.3
Total net assets		1,601.6	1,415.9	1,608.2	1,420.3
Represented by:					
Deferred capital grants	<i>xv</i>	424.6	355.1	424.6	355.1
Endowments					
Specific endowments	<i>xvi</i>	539.3	455.5	539.3	453.4
General endowments	<i>xvi</i>	6.9	6.0	6.9	6.0
	<i>xvi</i>	546.2	461.5	546.2	459.4
Reserves					
General reserves	<i>xvii</i>	431.8	393.0	438.4	399.5
Revaluation reserve	<i>xvii</i>	199.0	206.3	199.0	206.3
	<i>xvii</i>	630.8	599.3	637.4	605.8
Total		1,601.6	1,415.9	1,608.2	1,420.3

Notes to the unaudited accounts in respect of academic activities

i Funding Council and Teacher Training Agency grants	2005	2004
	£m	£m
Higher Education Funding Council for England (HEFCE)		
Recurrent grant	142.2	136.7
Specific grants	10.9	9.6
Deferred capital grant released in year (note xv)		
Equipment	4.1	3.0
Buildings	1.3	1.7
HEFCE total	158.5	151.0
Teacher Training Agency		
Recurrent grant	3.8	3.9
	162.3	154.9
ii Academic fees and support grants		
Full-time home students	21.2	20.3
Full-time overseas students	25.7	24.6
Part-time course fees	8.2	11.0
Research Training Support Grants	0.9	1.4
	56.0	57.3
iii Income: research grants and contracts		
Research councils	72.5	66.4
UK based charities	57.2	52.3
Other bodies	59.0	57.6
	188.7	176.3
iv Other income		
Other services rendered	22.7	21.5
Health and hospital authorities	12.2	9.1
Catering	3.5	4.5
AHRC museum grant	1.5	1.4
University companies	8.0	6.8
Released from deferred capital grants (note xv)	6.5	4.9
Transferred from Cambridge Assessment	8.1	4.0
General donations	8.8	10.5
Specific donations released in the year	10.1	7.7
Surplus on disposal of tangible fixed assets	–	2.8
Sundry income	8.1	7.5
	89.5	80.7
v Endowment and investment income		
Income from specific endowment asset investments	19.0	16.8
Income from general endowment asset investments	0.3	0.2
Other income credited to specific endowments	1.8	1.1
Other investment income	7.9	7.1
	29.0	25.2

Notes to the unaudited accounts in respect of academic activities (continued)

vi Staff costs	2005 £m	2004 £m
Wages and salaries	233.1	225.6
Social security costs	20.3	19.3
Pension costs (note xix)	29.8	30.8
	283.2	275.7

Remuneration of higher paid staff, excluding employer's pension contributions:

	Clinical		Non-Clinical		Total number	
	2005	2004	2005	2004	2005	2004
£70,000–£80,000	31	36	30	46	61	82
£80,001–£90,000	19	16	19	11	38	27
£90,001–£100,000	15	7	3	5	18	12
£100,001–£110,000	11	17	2	2	13	19
£110,001–£120,000	8	3	2	–	10	3
£120,001–£130,000	10	9	–	2	10	11
£130,001–£140,000	6	2	2	1	8	3
£140,001–£150,000	4	3	–	–	4	3
£150,001–£160,000	4	8	–	–	4	8
£160,001–£170,000	6	–	–	1	6	1
£170,001–£180,000	6	3	–	–	6	3
£180,001–£190,000	1	2	1	1	2	3
£190,001–£200,000	2	–	–	–	2	–

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

vii Analysis of expenditure by activity

	Staff costs £m	Other operating expenses £m	Depreciation £m	2005 Total £m	2004 Total £m
Academic departments	135.4	24.6	7.2	167.2	162.2
Academic services	16.2	9.0	0.8	26.0	23.9
Payments to colleges	–	30.1	–	30.1	30.1
Research grants and contracts	85.2	69.0	8.2	162.4	152.9
Other activities:					
Other services rendered	9.0	13.0	0.1	22.1	19.9
University companies	1.2	4.9	–	6.1	5.5
Catering	1.8	4.1	0.1	6.0	6.8
Other activities total	12.0	22.0	0.2	34.2	32.2
Administration and central services:					
Administration	19.3	6.5	1.0	26.8	25.4
General educational	1.5	12.5	–	14.0	15.0
Staff and student facilities	2.5	0.6	–	3.1	2.7
Development office	1.8	2.3	–	4.1	3.7
Other	–	1.1	–	1.1	9.2
Administration and central services total	25.1	23.0	1.0	49.1	56.0
Premises	9.3	26.7	17.9	53.9	52.2
Total per income and expenditure account	283.2	204.4	35.3	522.9	509.5

The depreciation charge has been funded by: Deferred capital grants (note xv) 20.3
Revaluation reserve (note xvii) 7.3
General income 7.7
35.3

Auditors' remuneration

	2005 £000	2004 £000
Other operating expenses include:		
Audit fees payable to the University's external auditors	159	156
Other fees payable to the University's external auditors	–	19
Audit fees payable to other firms	–	–

These amounts include related irrecoverable VAT.

Notes to the unaudited accounts in respect of academic activities (continued)

viii Surplus / (deficit) on continuing operations for the year	2005	2004
	£m	£m
The surplus / (deficit) on continuing operations for the year is made up as follows:		
University's surplus / (deficit) for the year	0.3	(16.7)
Surplus generated by subsidiary undertakings and transferred to the University under gift aid	2.4	2.9
	2.7	(13.8)
Surplus / (deficit) dealt with in the accounts of the University	(0.1)	(1.3)
Deficit retained in subsidiary undertakings	2.6	(15.1)

ix Tangible fixed assets	Land and buildings	Assets in construction	Equipment	Heritage assets	2005 Total	2004 Total
<i>Group</i>	£m	£m	£m	£m	£m	£m
Cost or valuation						
At 1 August:	666.0	112.8	117.2	10.7	906.7	801.2
Additions at cost	6.5	65.1	20.5	3.6	95.7	107.3
Transfers	70.2	(70.2)	–	–	–	–
Disposals	–	–	(0.2)	–	(0.2)	(1.8)
At 31 July	742.7	107.7	137.5	14.3	1,002.2	906.7
Depreciation						
At 1 August:	81.5	–	80.5	–	162.0	131.6
Charge for the year	17.9	–	17.4	–	35.3	31.2
Elimination on disposals	–	–	(0.1)	–	(0.1)	(0.8)
At 31 July	99.4	–	97.8	–	197.2	162.0
Net book value						
At 31 July	643.3	107.7	39.7	14.3	805.0	744.7
At 1 August	584.5	112.8	36.7	10.7	744.7	669.6
<i>University</i>						
Cost or valuation						
At 1 August	669.9	115.0	117.0	10.7	912.6	806.0
Additions at cost	6.5	65.1	20.5	3.6	95.7	108.4
Transfers	72.4	(72.4)	–	–	–	–
Disposals	–	–	(0.2)	–	(0.2)	(1.8)
At 31 July	748.8	107.7	137.3	14.3	1,008.1	912.6
Depreciation						
At 1 August:	81.5	–	80.3	–	161.8	131.5
Charge for the year	17.9	–	17.3	–	35.2	31.1
Elimination on disposals	–	–	(0.1)	–	(0.1)	(0.8)
At 31 July	99.4	–	97.5	–	196.9	161.8
Net book value						
At 31 July	649.4	107.7	39.8	14.3	811.2	750.8
At 1 August	588.4	115.0	36.7	10.7	750.8	674.5

Land and buildings includes land totalling £69.6m (2004: £67.7m) 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.

Notes to the unaudited accounts in respect of academic activities (continued)

	Group 2005 £m	Group 2004 £m	University 2005 £m	University 2004 £m
x Fixed asset investments				
Opening balance	125.3	118.9	125.2	118.9
Additions / (disposals) in the year	(1.3)	0.6	(0.3)	0.6
Increase in market value of investments	17.1	5.8	17.0	5.7
Closing balance	141.1	125.3	141.9	125.2
Represented by:				
Property	41.9	39.3	41.9	39.3
Securities	86.6	71.4	92.5	70.5
Money market investments	4.1	6.5	4.1	6.5
Investments in subsidiary undertakings	–	–	–	6.2
Investment in spin-out companies	8.2	7.4	3.1	2.0
Cash in hand and at investment managers	0.1	0.5	0.1	0.5
Other	0.2	0.2	0.2	0.2
	141.1	125.3	141.9	125.2
xi Endowment asset investments				
Long-term Investments				
Property	73.0	65.7	73.0	65.7
Securities	408.2	320.7	408.2	320.7
Money market investments	61.9	71.2	61.9	71.2
Loan to subsidiary undertaking	–	–	2.4	–
Cash in hand and at investment managers	0.6	–	0.6	–
	543.7	457.6	546.1	457.6
Investment in spin-out companies	2.4	1.9	–	–
Short-term deposits	–	2.0	–	1.8
Bank balances	0.1	–	0.1	–
	546.2	461.5	546.2	459.4
Comparative figures have been adjusted to reflect a more appropriate investment categorisation consistent with that used in 2005.				
xii Debtors				
Research grants recoverable	57.2	60.3	57.2	60.3
Amounts due from subsidiary undertakings	–	–	1.3	1.6
Other debtors	41.0	24.1	36.8	21.6
	98.2	84.4	95.3	83.5
xiii Current asset investments				
Property	24.3	25.1	24.3	25.1
Securities	133.4	120.5	133.4	120.5
Money market investments	134.4	172.0	134.5	172.0
Short-term deposits	37.7	30.8	37.7	30.8
	329.8	348.4	329.9	348.4
Representing:				
University	151.1	159.5	150.6	159.5
Held on behalf of subsidiary undertakings, related parties and other associated bodies	178.7	188.9	179.3	188.9
	329.8	348.4	329.9	348.4

Current asset investments include investments held on behalf of subsidiary undertakings, related parties and other associated bodies.

The book value of these investments is included in creditors due within one year. Comparative figures have been adjusted to reflect a more appropriate investment categorisation consistent with that used in 2005.

Notes to the unaudited accounts in respect of academic activities (continued)

xiv Creditors: amounts falling due within one year

	Group 2005 £m	Group 2004 £m	University 2005 £m	University 2004 £m
Bank overdraft	3.7	7.7	3.7	7.6
Research grants received in advance	53.4	56.1	53.4	56.1
Other creditors	85.9	97.9	80.0	94.5
Investments held on behalf of subsidiary undertakings, related parties and other associated bodies (see note xiii)	178.7	188.9	179.3	188.9
	321.7	350.6	316.4	347.1

xv Deferred capital grants

<i>Group and University</i>	Funding Council £m	Research Grants £m	Other Grants £m	2005 Total £m	2004 £m
Balance 1 August					
Buildings	89.8	–	227.8	317.6	274.0
Equipment	8.9	15.6	2.3	26.8	24.9
Heritage assets	–	–	10.7	10.7	10.2
	98.7	15.6	240.8	355.1	309.1
Grants received					
Buildings	5.3	–	66.0	71.3	49.3
Equipment	5.1	7.9	2.0	15.0	13.1
Heritage assets	–	–	3.5	3.5	0.5
	10.4	7.9	71.5	89.8	62.9
Released to income and expenditure for depreciation					
Buildings	(1.3)	–	(5.3)	(6.6)	(5.7)
Equipment	(4.1)	(8.3)	(1.3)	(13.7)	(11.2)
	(5.4)	(8.3)	(6.6)	(20.3)	(16.9)
Balance 31 July					
Buildings	93.8	–	288.5	382.3	317.6
Equipment	9.9	15.2	3.0	28.1	26.8
Heritage assets	–	–	14.2	14.2	10.7
	103.7	15.2	305.7	424.6	355.1

Notes to the unaudited accounts in respect of academic activities (continued)

xvi Endowments

<i>Group</i>	Specific £m	General £m	2005 Total £m	2004 Total £m
Balance 1 August	455.5	6.0	461.5	413.4
Permanent endowments received	13.7	–	13.7	29.9
Income receivable from endowment asset investments	19.0	0.3	19.3	17.0
Donations and other income	1.8	–	1.8	1.1
Expenditure	(18.5)	(0.3)	(18.8)	(16.3)
Excess of income over expenditure retained in specific endowments	2.3	–	2.3	1.8
Increase in market value of investments	67.8	0.9	68.7	16.4
Balance 31 July	539.3	6.9	546.2	461.5

<i>University</i>	Specific £m	General £m	2005 Total £m	2004 Total £m
Balance 1 August	453.4	6.0	459.4	411.9
Permanent endowments received	16.1	–	16.1	29.9
Income receivable from endowment asset investments	19.0	0.3	19.3	16.9
Donations and other income	1.6	–	1.6	1.1
Expenditure	(18.3)	(0.3)	(18.6)	(16.2)
Excess of income over expenditure retained in specific endowments	2.3	–	2.3	1.8
Increase in market value of investments	67.5	0.9	68.4	15.8
Balance 31 July	539.3	6.9	546.2	459.4

Representing:	Specific £m	General £m	2005 Total £m	2004 Total £m
Trust and Special Funds:				
Professorships, Readerships and Lectureships	208.6	–	208.6	175.2
Scholarships and bursaries	60.8	–	60.8	56.9
Other	269.9	–	269.9	221.3
General endowments	–	6.9	6.9	6.0
University total	539.3	6.9	546.2	459.4
Subsidiary undertakings	–	–	–	2.1
Group total	539.3	6.9	546.2	461.5

Notes to the unaudited accounts in respect of academic activities (continued)**xvii Reserves****Group**

	General reserves £m	Revaluation reserve £m	2005 Total £m	2004 Total £m
Balance 1 August	393.0	206.3	599.3	609.5
Deficit retained for the year	0.3	–	0.3	(16.9)
Transfer from Cambridge Assessment to University reserves	10.5	–	10.5	–
Transfer in respect of depreciation on revalued operational properties	7.3	(7.3)	–	–
Increase in market value of investments	20.7	–	20.7	6.7
Balance 31 July	431.8	199.0	630.8	599.3

University

	General reserves £m	Revaluation reserve £m	2005 Total £m	2004 Total £m
Balance 1 August	399.5	206.3	605.8	614.7
Deficit retained for the year	0.4	–	0.4	(15.6)
Transfer from Cambridge Assessment to University reserves	10.5	–	10.5	–
Transfer in respect of depreciation on revalued operational properties	7.3	(7.3)	–	–
Increase in market value of investments	20.7	–	20.7	6.7
Balance 31 July	438.4	199.0	637.4	605.8

xviii Capital commitments

	2005 £m	2004 £m
Commitments contracted at 31 July	57.0	77.4
Authorised but not contracted at 31 July	–	–

Of the capital expenditure committed at 31 July 2005, approximately 77% (2004: 85%) 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).

	2005 £m	2004 £m
The total pension cost for the year (see note vi) was:		
USS: contributions	20.8	20.2
CPS: contributions	7.6	9.7
NHSPS: contributions	1.3	0.8
Contributions to other pension schemes	0.1	0.1
	29.8	30.8