

Section A: Unaudited accounts in respect of academic activities

The scope and basis of preparation differ from the University's financial statements for 2014-15 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 the associated Trusts. The unaudited accounts have been prepared following the same accounting policies as the audited financial statements for the year ended 31 July 2015. 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 2015

	<i>Note</i>	Year ended 31 July 2015 £m	Year ended 31 July 2014 £m
Income			
Funding body grants	<i>i</i>	170.0	178.6
Academic fees and support grants	<i>ii</i>	226.1	207.5
Research grants and contracts	<i>iii</i>	396.9	371.2
Exceptional income: Research and Development Expenditure Credits	<i>iv</i>	53.7	–
Other income	<i>v</i>	145.8	135.3
Endowment and investment income	<i>vi</i>	71.5	69.8
Total income		1,064.0	962.4
Expenditure			
Staff costs	<i>vii, viii</i>	517.8	482.9
Other operating expenses	<i>viii</i>	410.5	384.0
Depreciation	<i>viii</i>	66.9	64.8
Interest and other finance costs		13.2	13.1
Total expenditure	<i>viii</i>	1,008.4	944.8
Surplus on continuing operations		55.6	17.6
Taxation	<i>ix</i>	(11.7)	–
Surplus after tax	<i>x</i>	43.9	17.6
Surplus transferred from endowment funds	<i>xix</i>	2.7	7.2
Surplus for the year retained in general reserves		46.6	24.8

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

UNAUDITED NOTE OF HISTORICAL COST RESULT FOR THE YEAR ENDED 31 JULY 2015

Surplus after tax		43.9	17.6
Realisation of losses on disposal of fixed asset investments	<i>xx</i>	38.7	29.4
Depreciation on revaluation element of fixed tangible assets	<i>xx</i>	6.0	6.0
Historical cost surplus for the year		88.6	53.0

UNAUDITED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES IN RESPECT OF ACADEMIC ACTIVITIES FOR THE YEAR ENDED 31 JULY 2015

		Year ended 31 July 2015	Year ended 31 July 2014
	<i>Note</i>	£m	£m
Surplus after tax		43.9	17.6
Increase in market value of investments			
Endowment assets	<i>xix</i>	115.3	30.1
Fixed asset investments	<i>xii, xx</i>	85.8	27.6
New endowment capital	<i>xix</i>	20.5	24.0
Total recognised gains relating to the year		<u>265.5</u>	<u>99.3</u>
Total gains since the last annual report		<u>265.5</u>	<u>99.3</u>
Reconciliation			
Opening reserves and endowments as previously stated		2,203.6	2,104.3
Total gains since the last annual report		<u>265.5</u>	<u>99.3</u>
Closing reserves and endowments		<u>2,469.1</u>	<u>2,203.6</u>

UNAUDITED BALANCE SHEETS IN RESPECT OF ACADEMIC ACTIVITIES AS AT 31 JULY 2015

		Group 31 July 2015	Group 31 July 2014	University 31 July 2015	University 31 July 2014
	<i>Note</i>	£m	£m	£m	£m
Fixed assets					
Tangible assets	<i>xi</i>	1,215.1	1,105.7	1,223.9	1,114.3
Investments	<i>xii</i>	943.8	835.2	938.3	828.8
		<u>2,158.9</u>	<u>1,940.9</u>	<u>2,162.2</u>	<u>1,943.1</u>
Endowment assets	<i>xiii</i>	1,239.5	1,106.4	1,237.0	1,104.1
Current assets					
Stocks and work in progress		1.8	2.0	1.4	1.6
Debtors	<i>xiv</i>	202.2	158.1	204.9	157.3
Investments					
University	<i>xv</i>	181.3	237.8	179.9	236.3
Held on behalf of others	<i>xv</i>	808.6	711.2	812.4	714.9
Cash at bank and in hand		16.7	10.3	0.1	0.1
		<u>1,210.6</u>	<u>1,119.4</u>	<u>1,198.7</u>	<u>1,110.2</u>
Creditors: amounts falling due within one year	<i>xvi</i>	(1,204.8)	(1,080.4)	(1,193.9)	(1,072.8)
Net current assets		<u>5.8</u>	<u>39.0</u>	<u>4.8</u>	<u>37.4</u>
Total assets less current liabilities		<u>3,404.2</u>	<u>3,086.3</u>	<u>3,404.0</u>	<u>3,084.6</u>
Creditors: amounts falling due after more than one year	<i>xvii</i>	(342.4)	(342.3)	(342.4)	(342.3)
Total net assets		<u>3,061.8</u>	<u>2,744.0</u>	<u>3,061.6</u>	<u>2,742.3</u>
Represented by:					
Deferred capital grants	<i>xviii</i>	592.7	540.4	592.7	540.4
Endowments					
Expendable endowments	<i>xix</i>	277.9	246.8	277.9	246.7
Permanent endowments	<i>xix</i>	961.6	859.6	959.1	857.4
	<i>xix</i>	1,239.5	1,106.4	1,237.0	1,104.1
Reserves					
General reserves	<i>xx</i>	888.4	797.1	898.2	805.8
Operational property revaluation reserve	<i>xx</i>	109.2	115.2	109.2	115.2
Fixed asset investment revaluation reserve	<i>xx</i>	232.0	184.9	224.5	176.8
	<i>xx</i>	1,229.6	1,097.2	1,231.9	1,097.8
Total		<u>3,061.8</u>	<u>2,744.0</u>	<u>3,061.6</u>	<u>2,742.3</u>

NOTES TO THE UNAUDITED ACCOUNTS IN RESPECT OF ACADEMIC ACTIVITIES

	2015 £m	2014 £m
i Funding body grants		
Higher Education Funding Council for England (HEFCE)		
Recurrent grant	150.9	158.8
Specific grants	4.0	3.9
Deferred capital grant released in year (note xv)		
Equipment	1.3	2.1
Buildings	13.8	13.8
HEFCE total	170.0	178.6
ii Academic fees and support grants		
Full-time home / EU students	102.0	88.2
Full-time overseas (non-EU) students	75.6	70.2
Other course fees	23.4	22.4
Research Training Support Grants	25.1	26.7
	226.1	207.5
iii Income: research grants and contracts		
Research councils	123.4	119.4
UK based charities	122.6	112.8
Other bodies	150.9	139.0
	396.9	371.2
<p>Total research grants and contracts income excludes grants of £13.4m (2014: £18.1m) for the purchase of equipment but includes £15.6m (2014: £13.8m) released from deferred capital grants to match depreciation of which £12.0m (2014: £10.2m) related to equipment. See note xviii.</p>		
iv Exceptional income: Research and Development Expenditure Credit		
Research and Development Expenditure Credit (RDEC) receivable before deduction of tax	53.7	–
<p>RDEC is claimed from HM Revenue & Customs at a rate of 10% on qualifying research and development expenditure, and is received net of Corporation Tax (see note ix). The income recognised in the year relates to qualifying expenditure incurred between 1 April 2013 to 31 July 2015. The University is not eligible to claim for RDEC in relation to any expenditure incurred on or after 1 August 2015.</p>		
v Other income		
Other services rendered	44.7	40.0
Health and hospital authorities	20.4	18.4
Residences, conferences and catering	9.6	9.1
Income from intellectual property	6.8	5.5
Released from deferred capital grants (note xviii)	9.4	8.7
Transferred from Cambridge Assessment	16.8	15.9
Unrestricted donations	11.8	12.3
Rental income	8.4	7.5
Donations of, and for the purchase of, heritage assets	1.5	0.5
Gain on disposal of tangible fixed assets	–	3.2
Sundry income	16.4	14.2
	145.8	135.3

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

	2015 £m	2014 £m
vi Endowment and investment income		
Income from expendable endowment assets	7.8	7.1
Income from permanent endowment assets	32.5	31.8
Income from fixed asset investments	29.1	28.5
Income from short-term investments	2.1	2.4
	71.5	69.8

vii Staff costs		
Wages and salaries	392.5	364.4
Social security costs	35.9	33.7
Pension costs (note xx)	89.4	84.8
	517.8	482.9

Remuneration of the Vice-Chancellor	2015 £000	2014 £000
Salary	294	288
Taxable benefits in kind	8	10
	302	298
Total excluding employer pension contributions	302	298
Employer pension contributions	23	46
	325	344

Salary is the contractual salary before adjusting for salary sacrifice arrangements under which, in common with other employees, the Vice-Chancellor sacrificed an amount of pay and the University paid the same amount to the Universities Superannuation Scheme.

Remuneration of other 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	
	2015	2014	2015	2014	2015	2014
£100,001 - £110,000	20	21	62	56	82	77
£110,001 - £120,000	12	8	27	20	39	28
£120,001 - £130,000	8	7	21	20	29	27
£130,001 - £140,000	8	6	15	19	23	25
£140,001 - £150,000	14	17	8	7	22	24
£150,001 - £160,000	8	10	10	6	18	16
£160,001 - £170,000	17	12	-	4	17	16
£170,001 - £180,000	9	7	6	3	15	10
£180,001 - £190,000	2	6	3	3	5	9
£190,001 - £200,000	6	4	4	2	10	6
£200,001 - £210,000	5	4	5	3	10	7
£220,001 - £230,000	-	1	-	-	-	1
£230,001 - £240,000	1	-	1	1	2	1
£240,001 - £250,000	-	-	1	1	1	1
£250,001 - £260,000	-	-	1	1	1	1
£260,001 - £270,000	-	-	2	-	2	-
£290,001 - £300,000	-	-	-	1	-	1
£300,001 - £310,000	-	-	-	1	-	1
£310,001 - £320,000	-	-	-	2	-	2
£330,001 - £340,000	-	-	2	-	2	-
£400,001 - £410,000	-	-	-	1	-	1
£420,001 - £430,000	-	-	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)

viii Analysis of expenditure by activity

	Staff costs £m	Other operating expenses £m	Depreciation £m	Interest payable £m	2015 Total £m	2014 Total £m
Academic departments	222.5	64.8	7.6	–	294.9	281.5
Academic services	23.6	18.0	0.8	–	42.4	43.1
Payments to colleges	–	45.3	–	–	45.3	44.9
Research grants and contracts	181.2	145.1	15.7	–	342.0	317.7
Other activities:						
Other services rendered	11.7	28.3	0.1	–	40.1	34.4
Intellectual property	2.8	3.7	–	–	6.5	7.2
Residences, conferences and catering	2.6	9.4	–	–	12.0	11.1
Other activities total	17.1	41.4	0.1	–	58.6	52.7
Administration and central services:						
Administration	46.9	2.0	2.1	–	51.0	46.1
General educational	1.2	38.7	–	–	39.9	32.5
Staff and student facilities	3.1	1.4	–	–	4.5	4.4
Development office	5.2	5.1	–	–	10.3	7.9
Other	1.6	3.1	–	–	4.7	5.5
Administration and central services total	58.0	50.3	2.1	–	110.4	96.4
Premises	15.4	45.6	40.6	–	101.6	95.4
Interest payable on bond liabilities	–	–	–	13.2	13.2	13.1
Total per income and expenditure account	517.8	410.5	66.9	13.2	1,008.4	944.8

The depreciation charge has been funded by:

Deferred capital grants (note xviii)	40.1
Revaluation reserve (note xx)	6.0
General income	20.8
	<u>66.9</u>

Auditors' remuneration

2015
£000

2014
£000

Other operating expenses include:

Audit fees payable to the University's external auditors	201	205
Other fees payable to the University's external auditors	16	55
Audit fees payable to other firms	3	8

These amounts include related irrecoverable VAT.

ix **Taxation**

2015
£m

2014
£m

UK Corporation Tax

11.7

–

As an exempt charity, the University is potentially exempt from Corporation Tax on income and gains falling within 287 of the Corporation Tax Act (CTA) 2009 and sections 471 and 478-488 CTA 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes. The charge for UK Corporation Tax is solely in respect of Research and Development Expenditure Credit grants receivable - see note iv above.

x **Surplus after tax**

2015
£m

2014
£m

The surplus after tax for the year is made up as follows:

University's surplus for the year	46.4	13.5
Surplus generated by subsidiary undertakings and transferred to the University under gift aid	4.3	4.4
	<u>50.7</u>	<u>17.9</u>
Surplus dealt with in the accounts of the University (Deficit) retained in subsidiary undertakings	(6.8)	(0.3)
	<u>43.9</u>	<u>17.6</u>

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

xi Tangible fixed assets	Land and buildings	Assets in construction	Equipment	Heritage assets	2015 Total	2014 Total
<i>Group</i>	£m	£m	£m	£m	£m	£m
Cost or valuation						
At 1 August	1,291.2	95.4	232.1	59.4	1,678.1	1,563.9
Additions at cost	–	153.1	22.1	1.5	176.7	119.0
Transfers	45.2	(45.2)	–	–	–	–
Transfer from fixed asset investments	–	–	–	–	–	1.9
Disposals	(0.3)	–	(3.4)	–	(3.7)	(6.7)
At 31 July	1,336.1	203.3	250.8	60.9	1,851.1	1,678.1
Depreciation						
At 1 August	389.9	–	182.5	–	572.4	513.8
Charge for the year	44.2	–	22.7	–	66.9	64.8
Elimination on disposals	(0.1)	–	(3.2)	–	(3.3)	(6.2)
At 31 July	434.0	–	202.0	–	636.0	572.4
Net book value						
At 31 July	902.1	203.3	48.8	60.9	1,215.1	1,105.7
At 1 August	901.3	95.4	49.6	59.4	1,105.7	1,050.1
University						
Cost or valuation						
At 1 August	1,305.5	95.4	231.1	59.4	1,691.4	1,576.5
Additions at cost	–	154.1	21.9	1.5	177.5	119.7
Transfers	46.2	(46.2)	–	–	–	–
Transfer from fixed asset investments	–	–	–	–	–	1.9
Disposals	(0.4)	–	(3.4)	–	(3.8)	(6.7)
At 31 July	1,351.3	203.3	249.6	60.9	1,865.1	1,691.4
Depreciation						
At 1 August:	395.4	–	181.7	–	577.1	518.0
Charge for the year	44.9	–	22.5	–	67.4	65.3
Elimination on disposals	(0.1)	–	(3.2)	–	(3.3)	(6.2)
At 31 July	440.2	–	201.0	–	641.2	577.1
Net book value						
At 31 July	911.1	203.3	48.6	60.9	1,223.9	1,114.3
At 1 August	910.1	95.4	49.4	59.4	1,114.3	1,058.5

Land and buildings includes land totalling £78.2m (2014: £78.2m) 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)

xi Tangible fixed assets (continued)

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.

As stated in the statement of principal accounting policies, 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:

	2015 £m	2014 £m	2013 £m	2012 £m	2011 £m
Acquisitions purchased with specific donations	1.1	0.4	4.0	0.9	0.1
Value of acquisitions by donation	0.4	0.1	11.6	4.7	1.2
Total acquired by, or funded by, donations	1.5	0.5	15.6	5.6	1.3
Acquisitions purchased with University funds	-	0.5	0.7	0.3	0.1
Total acquisitions capitalised	1.5	1.0	16.3	5.9	1.4

xii Fixed asset investments

	Group 2015 £m	Group 2014 £m	University 2015 £m	University 2014 £m
Opening balance	835.2	772.4	828.8	767.5
Transfers to tangible fixed assets	-	(1.9)	-	(1.9)
Other net additions in the year	22.8	37.0	28.7	36.8
Increase in market value of investments	85.8	27.7	80.8	26.4
Closing balance	943.8	835.2	938.3	828.8
Represented by:				
CUEF units (see note xxii)	705.6	638.5	705.6	638.5
Property	159.8	99.7	159.8	99.7
Securities	61.0	80.2	61.0	80.2
Money market investments	0.1	0.1	0.1	0.1
Investments in subsidiary undertakings	-	-	2.1	1.9
Investment in spin-out companies	17.3	16.7	9.7	8.4
Total	943.8	835.2	938.3	828.8

xiii Endowment assets

CUEF units (see note xxii)	1,122.6	1,003.2	1,120.2	1,001.1
Property	0.6	0.6	0.6	0.6
Securities	27.3	26.1	27.3	26.1
Investment in spin-out companies	6.1	4.6	6.1	4.6
Money market investments	82.8	71.7	82.8	71.7
Bank balances	0.1	0.2	-	-
Total	1,239.5	1,106.4	1,237.0	1,104.1

xiv Debtors

Research grants recoverable	85.5	76.1	85.5	76.1
Amounts due from subsidiary undertakings, Cambridge Assessment and Cambridge University Press	18.2	20.7	29.2	28.1
Other debtors	98.5	61.3	90.2	53.1
Total	202.2	158.1	204.9	157.3

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

xv	Current asset investments	Group 2015 £m	Group 2014 £m	University 2015 £m	University 2014 £m
	CUEF units (see note xxii)	723.5	642.2	725.9	644.4
	Money market investments	210.4	230.7	210.4	230.7
	Cash in hand and at investment managers	55.6	76.0	55.6	76.0
	Other investments	–	0.1	–	0.1
		989.9	949.0	992.3	951.2
	Representing:				
	University	181.3	237.8	179.9	236.3
	Held on behalf of subsidiary undertakings, Colleges and other associated bodies (see note xvi)	808.6	711.2	812.4	714.9
		989.9	949.0	992.3	951.2

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.

xvi Creditors: amounts falling due within one year

Bank overdraft	12.1	3.0	12.0	3.0
Research grants received in advance	223.6	175.0	218.5	173.8
Other creditors	160.5	191.2	151.0	181.1
Investments held on behalf of subsidiary undertakings, Colleges and other associated bodies (see note xv)	808.6	711.2	812.4	714.9
	1,204.8	1,080.4	1,193.9	1,072.8

xvii Creditors: amounts falling due after more than one year

Bond liabilities	342.4	342.3	342.4	342.3
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On 17 October 2012 the University issued £350m of 3.75% unsecured Bonds due October 2052 (the “Bonds”). The Bonds were issued at 98.168% of their principal amount. The proceeds of issue, less directly attributable transaction costs, amounted to £342m. Interest at 3.75% pa is payable on 17 April and 17 October each year commencing on 17 April 2013. The Bonds are listed on the London Stock Exchange. Unless previously redeemed, the Bonds will be redeemed at their principal amount of £350m on 17 October 2052. The Bonds were initially measured at the proceeds of issue less all transaction costs directly attributable to the issue. After initial recognition, the Bonds are measured at amortised cost using the effective interest rate method.

xviii Deferred capital grants

<i>Group and University</i>	Funding Council £m	Research Grants £m	Other Grants £m	2015 Total £m	2014 £m
Balance 1 August					
Buildings	257.3	58.9	196.0	512.2	501.6
Equipment	1.5	26.2	0.5	28.2	22.5
	258.8	85.1	196.5	540.4	524.1
Grants received					
Buildings	48.8	10.9	19.2	78.9	36.7
Equipment	0.1	13.4	0.2	13.7	18.2
	48.9	24.3	19.4	92.6	54.9
Released to income and expenditure					
Buildings - to match depreciation	(13.8)	(3.6)	(9.1)	(26.5)	(26.1)
Equipment - to match depreciation	(1.3)	(12.0)	(0.3)	(13.6)	(12.3)
Equipment - on disposals	–	(0.2)	–	(0.2)	(0.2)
	(15.1)	(15.8)	(9.4)	(40.3)	(38.6)
Balance 31 July					
Buildings	292.3	66.2	206.1	564.6	512.2
Equipment	0.3	27.4	0.4	28.1	28.2
	292.6	93.6	206.5	592.7	540.4

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

xix Endowments

<i>Group</i>	Expendable £m	Permanent £m	2015 Total £m	2014 Total £m
Balance 1 August	246.8	859.6	1,106.4	1,059.5
Endowments received	17.2	3.3	20.5	24.0
Income receivable from endowment asset investments	7.8	32.5	40.3	38.9
Expenditure	(18.4)	(24.6)	(43.0)	(46.1)
Net transfer (to) / from income and expenditure account	(10.6)	7.9	(2.7)	(7.2)
Increase in market value of investments	24.5	90.8	115.3	30.1
Balance 31 July	277.9	961.6	1,239.5	1,106.4
Capital	254.8	830.1	1,084.9	975.7
Unspent income	23.1	131.5	154.6	130.7
Balance 31 July	277.9	961.6	1,239.5	1,106.4
Representing:				
Trust and Special Funds:				
Professorships, Readerships and Lectureships	57.5	473.2	530.7	473.2
Scholarships and bursaries	12.8	122.1	134.9	121.4
Other	113.4	355.6	469.0	463.3
Specific donations	94.2	–	94.2	38.8
General endowments	–	10.7	10.7	9.7
Total	277.9	961.6	1,239.5	1,106.4

University

	Expendable £m	Permanent £m	2015 Total £m	2014 Total £m
Balance 1 August	246.7	857.4	1,104.1	1,059.5
Endowments received	17.2	3.3	20.5	21.6
Income receivable from endowment asset investments	7.8	32.4	40.2	38.9
Expenditure	(18.3)	(24.5)	(42.8)	(46.0)
Net transfer (to) / from income and expenditure account	(10.5)	7.9	(2.6)	(7.1)
Increase in market value of investments	24.5	90.5	115.0	30.1
Balance 31 July	277.9	959.1	1,237.0	1,104.1
Capital	254.8	827.6	1,082.4	973.4
Unspent income	23.1	131.5	154.6	130.7
Balance 31 July	277.9	959.1	1,237.0	1,104.1

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

xx Reserves Group	Operational property revaluation reserve			Fixed asset revaluation reserve	2015 Total	2014 Total
	General reserves £m	revaluation reserve £m	revaluation reserve £m	revaluation reserve £m	£m	£m
Balance 1 August	797.1	115.2	184.9	184.9	1,097.2	1,044.8
Surplus retained for the year	46.6	–	–	–	46.6	24.8
Transfer in respect of depreciation on revalued operational properties	6.0	(6.0)	–	–	–	–
Transfer in respect of disposals of fixed asset investments	38.7	–	(38.7)	(38.7)	–	–
Increase in market value of investments	–	–	–	85.8	85.8	27.6
Balance 31 July	888.4	109.2	232.0	232.0	1,229.6	1,097.2
<i>University</i>						
	General reserves £m	Operational property revaluation reserve £m	Fixed asset revaluation reserve £m		2015 Total £m	2014 Total £m
Balance 1 August	805.8	115.2	176.8	176.8	1,097.8	1,046.4
Surplus retained for the year	53.3	–	–	–	53.3	25.0
Transfer in respect of depreciation on revalued operational properties	6.0	(6.0)	–	–	–	–
Transfer in respect of disposals of fixed asset investments	33.1	–	(33.1)	(33.1)	–	–
Increase in market value of investments	–	–	–	80.8	80.8	26.4
Balance 31 July	898.2	109.2	224.5	224.5	1,231.9	1,097.8

xxi 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). With the exception (from 1 January 2013) of the 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)

The total pension cost for the year (see note vii) was:	2015 £m	2014 £m
USS: contributions	64.4	59.8
CPS: contributions	21.0	21.4
NHSPS: contributions	2.2	2.1
Contributions to other pension schemes	1.8	1.5
	89.4	84.8

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

xxii Cambridge University Endowment Fund (CUEF)

The University operates a unitised fund, the Cambridge University Endowment Fund (CUEF), for long-term investment in respect of individual restricted endowments and other balances, and by other group undertakings. The CUEF is managed on a total return basis and invests in asset classes some of which generate little or no income. Distributions are made to unit-holding funds according to a formula which has regard to the total return reasonably to be expected in the long term, in proportion to the number of units held. Investing funds receive distributions as income.

The assets of the CUEF were held in the following categories:

	31 July 2015		31 July 2014	
	£m	%	£m	%
Public equity	1,564.3	61.3%	1,449.6	63.5%
Private investment	237.0	9.3%	206.8	9.1%
Absolute return	345.3	13.5%	269.5	11.8%
Credit	44.6	1.7%	72.9	3.2%
Real assets	239.7	9.4%	195.7	8.6%
Fixed interest / cash	120.7	4.7%	89.4	3.9%
Total value of fund	2,551.6	100.0%	2,283.9	100.0%

Public equity includes all equity stocks traded on a liquid market, together with related index funds and derivatives (such as futures).

Private investment includes investments where initial capital commitments are drawn down over a period, and the proceeds of the investments once disposed of are returned over the life of each fund. The underlying investments include both unlisted equities and corporate credits (such as bonds, loans and other claims).

Absolute return includes investments in trading strategies which are in some degree independent of overall equity market movements. Funds where different equities are simultaneously held (long) and sold (short) are included in this category.

Credit includes corporate securities (such as bonds and loans) traded on a liquid public market.

Real assets includes investments which are expected in some degree to increase in nominal value to match inflation. This category includes commercial property, and securities which reflect the level of commodity values. Inflation-linked government securities are, however, included in the fixed interest category below.

Fixed interest / cash includes cash at bank and on deposit, government securities, the net value of foreign currency contracts and any amounts receivable in general; less amounts payable, including those arising from holding derivative contracts.

The assets of the CUEF are included in the following balance sheet captions in proportion to the number of units held by the relevant funds:

	Group	Group	University	University
	2015	2014	2015	2014
	£000	£000	£000	£000
Fixed asset investments (see note xii)	705.6	638.5	705.6	638.5
Endowment assets (see note xiii)	1,122.6	1,003.2	1,120.2	1,001.1
Current asset investments (see note xv) - balances held on behalf of:				
Subsidiary undertakings	–	–	2.4	2.1
Colleges	136.9	91.2	136.9	91.2
Other associated bodies	586.6	551.0	586.6	551.1
Total included in current asset investments	723.5	642.2	725.9	644.4
Total value of units	2,551.7	2,283.9	2,551.7	2,284.0

xxiii Capital commitments

Commitments for capital expenditure:

	2015	2014
	£m	£m
Commitments contracted at 31 July	333.8	153.9
Authorised but not contracted at 31 July	271.9	347.8
Commitments for capital calls on investments:	328.0	193.3