

Section A: Unaudited accounts in respect of academic activities

The scope and basis of preparation differ from the University's financial statements for 2020–21 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. In order to distinguish these accounts from the University's financial statements they are referred to as unaudited accounts in respect of academic activities.

The unaudited accounts have been prepared following the same accounting policies as the audited financial statements for the year ended 31 July 2021. Investment income includes the full value of distributions from the Cambridge University Endowment Fund.

The Academic Group accounts included below reflect the consolidated position of the Academic University together with the 26 subsidiary undertakings listed against 'Academic' in Section B.

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME IN RESPECT OF ACADEMIC ACTIVITIES FOR THE YEAR ENDED 31 JULY 2021

	<i>Note</i>	Academic Group Year ended 31 July 2021 £m	Academic Group Year ended 31 July 2020 £m	Academic University Year ended 31 July 2021 £m	Academic University Year ended 31 July 2020 £m
Income					
Tuition fees and education contracts	<i>i</i>	339.5	334.5	332.1	322.7
Funding body grants	<i>ii</i>	212.9	204.7	212.9	204.7
Research grants and contracts	<i>iii</i>	588.6	579.4	580.4	571.4
Donations and endowments	<i>iv</i>	97.7	74.0	101.3	78.2
Other income	<i>vi</i>	182.0	367.4	167.8	357.8
Investment income	<i>vii</i>	101.8	100.9	100.6	99.3
Total income		1,522.5	1,660.9	1,495.1	1,634.1
Expenditure					
Staff costs					
- Staff costs excluding impact of USS deficit recovery	<i>viii</i>	703.5	686.6	684.9	671.0
- USS deficit recovery	<i>viii</i>	4.8	(140.3)	5.0	(139.3)
		708.3	546.3	689.9	531.7
Other operating expenses	<i>ix</i>	522.7	503.5	512.5	491.5
Depreciation	<i>ix, xiv</i>	88.0	90.4	87.3	89.3
Interest and other finance costs	<i>xi</i>	53.0	137.2	53.0	137.1
Total expenditure		1,372.0	1,277.4	1,342.7	1,249.6
Surplus before other gains and losses and share of surplus / (deficit) in joint ventures and associates		150.5	383.5	152.4	384.5
Share of operating surplus / (deficit) in joint ventures and associates		0.1	(0.2)	–	–
Gain on disposal of fixed assets		0.1	5.1	0.1	5.1
Gain / (loss) on other investments	<i>xvi</i>	548.7	(108.4)	518.5	(108.2)
Gain on investment property	<i>xvi</i>	5.8	8.8	5.8	8.8
Surplus before tax		705.2	288.8	676.8	290.2
Taxation	<i>xii</i>	–	–	–	–
Surplus for the year		705.2	288.8	676.8	290.2
Other comprehensive expense:					
Actuarial loss		(4.5)	(120.1)	(4.5)	(120.1)
Loss arising on foreign currency translation		(0.1)	–	–	–
Total comprehensive income / (expense) for the year		700.6	168.7	672.3	170.1
Represented by:					
Endowment comprehensive income / (expense) for the year	<i>xxiv</i>	389.3	(28.0)	388.3	(28.0)
Restricted comprehensive income for the year	<i>xxv</i>	129.0	126.7	129.0	126.7
Unrestricted comprehensive income for the year		182.3	70.0	155.0	71.4
		700.6	168.7	672.3	170.1

UNAUDITED STATEMENT OF CHANGES IN RESERVES IN RESPECT OF ACADEMIC ACTIVITIES FOR THE YEAR ENDED 31 JULY 2021

	Endowment £m	Restricted £m	Unrestricted £m	Total £m
Group				
Balance at 1 August 2019	1,707.9	127.4	2,055.3	3,890.6
(Deficit) / surplus for the year ended 31 July 2020	(28.0)	126.7	190.1	288.8
Other comprehensive expense	–	–	(120.1)	(120.1)
Total comprehensive (expense) / income for the year ended 31 July 2020	(28.0)	126.7	70.0	168.7
Release of restricted capital funds spent in the year ended 31 July 2020	–	(101.0)	101.0	0.0
Balance at 31 July 2020	1,679.9	153.1	2,226.3	4,059.3
Surplus for the year ended 31 July 2021	389.3	129.0	186.8	705.1
Other comprehensive expense	–	–	(4.5)	(4.5)
Total comprehensive income for the year ended 31 July 2021	389.3	129.0	182.3	700.6
Release of restricted capital funds spent in the year ended 31 July 2021	–	(100.1)	100.1	–
Balance at 31 July 2021	2,069.0	182.2	2,508.7	4,759.9
University				
Balance at 1 August 2019	1,704.6	127.3	2,035.0	3,866.9
(Deficit) / surplus for the year ended 31 July 2020	(28.0)	126.7	191.5	290.2
Other comprehensive expense	–	–	(120.1)	(120.1)
Total comprehensive (expense) / income for the year ended 31 July 2020	(28.0)	126.7	71.4	170.1
Release of restricted capital funds spent in the year ended 31 July 2020	–	(101.0)	101.0	–
Balance at 31 July 2020	1,676.6	153.0	2,207.4	4,037.0
Surplus for the year ended 31 July 2021	388.3	129.0	159.5	676.8
Other comprehensive expense	–	–	(4.5)	(4.5)
Total comprehensive income for the year ended 31 July 2021	388.3	129.0	155.0	672.3
Release of restricted capital funds spent in the year ended 31 July 2021	–	(100.0)	100.0	–
Balance at 31 July 2021	2,064.9	182.0	2,462.4	4,709.3

UNAUDITED STATEMENT OF FINANCIAL POSITION IN RESPECT OF ACADEMIC ACTIVITIES AS
AT 31 JULY 2021

	<i>Note</i>	Academic Group 31 July 2021 £m	Academic Group 31 July 2020 £m	Academic University 31 July 2021 £m	Academic University 31 July 2020 £m
Non-current assets					
Intangible assets	<i>xiii</i>	0.3	0.4	–	–
Tangible assets	<i>xiv</i>	2,440.2	2,335.2	2,446.3	2,339.5
Heritage assets	<i>xv</i>	77.4	73.6	77.4	73.6
Investments - other investments	<i>xvii</i>	3,070.2	2,583.3	3,014.6	2,558.2
Investments - investment property	<i>xviii</i>	589.9	574.8	589.9	574.8
Investments - joint ventures	<i>xviii</i>	0.5	0.4	–	–
		6,178.5	5,567.7	6,128.2	5,546.1
Current assets					
Stocks and work in progress	<i>xvii</i>	1.9	1.8	1.5	1.4
Trade and other receivables	<i>xviii</i>	244.5	214.2	244.5	213.3
Investments	<i>xix</i>	1,031.2	958.0	1,034.8	960.9
Cash and cash equivalents	<i>xx</i>	975.6	781.4	955.5	767.0
		2,253.2	1,955.4	2,236.3	1,942.6
Creditors: amounts falling due within one year	<i>xxi</i>	(1,593.8)	(1,431.0)	(1,579.6)	(1,422.1)
Net current assets		659.4	524.4	656.7	520.5
Total assets less current liabilities		6,837.9	6,092.1	6,784.9	6,066.6
Creditors: amounts falling due after more than one year	<i>xxii</i>	(1,112.0)	(1,096.1)	(1,111.8)	(1,095.6)
Pension liabilities	<i>xxiii</i>	(966.0)	(936.6)	(963.8)	(934.0)
Total net assets		4,759.9	4,059.4	4,709.3	4,037.0
Restricted reserves					
Income and expenditure reserve - endowment	<i>xxiv</i>	2,069.0	1,679.9	2,064.9	1,676.6
Income and expenditure reserve - restricted	<i>xxv</i>	182.2	153.1	182.0	153.0
Unrestricted reserves					
Income and expenditure reserve - unrestricted		2,508.7	2,226.3	2,462.4	2,207.4
Total reserves		4,759.9	4,059.3	4,709.3	4,037.0

NOTES TO THE UNAUDITED ACCOUNTS IN RESPECT OF ACADEMIC ACTIVITIES

	Academic Group 2021 £m	Academic Group 2020 £m	Academic University 2021 £m	Academic University 2020 £m
i Tuition fees and education contracts				
Full-time home / EU students	142.3	136.4	142.3	136.4
Full-time overseas (non-EU) students	138.6	132.0	138.6	132.0
Other course fees	28.7	34.9	21.3	23.1
Research Training Support Grants	29.9	31.2	29.9	31.2
	339.5	334.5	332.1	322.7
ii Funding body grants				
Office for Students (OfS):				
Recurrent grant: teaching	17.8	18.9	17.8	18.9
Recurrent grant: research	133.7	137.6	133.7	137.6
Recurrent grant: museum funding	2.1	2.1	2.1	2.1
Other revenue grants	14.1	10.5	14.1	10.5
Total revenue grants	167.7	169.1	167.7	169.1
Capital grants recognised in the year	45.2	35.6	45.2	35.6
	212.9	204.7	212.9	204.7
iii Research grants and contracts				
Research councils	200.2	190.1	200.2	190.1
UK-based charities	160.9	162.4	160.8	161.8
European Commission	52.5	52.1	52.5	52.0
UK industry	22.4	22.7	21.4	21.5
UK government	49.2	45.2	49.1	45.0
Other bodies	103.4	106.9	96.4	101.0
	588.6	579.4	580.4	571.4
Total research grants and contracts income includes grants of £41.6m (2020: £63.6m) towards the cost of buildings and £21.8m (2020: £15.2m) for the purchase of equipment.				
iv Donations and endowments				
New endowments	43.6	35.5	43.6	35.5
Donations of, and for the purchase of, fixed assets	1.2	5.6	1.2	5.6
Donations of, and for the purchase of, heritage assets	3.7	1.6	3.7	1.6
Other donations with restrictions	36.9	19.9	36.9	19.9
Donations from subsidiary companies	-	-	3.6	4.2
Unrestricted donations	12.3	11.4	12.3	11.4
	97.7	74.0	101.3	78.2
Included within donations from subsidiary companies is £1.0m (2020: £1.0m) relating to capital donations received for the purchase of fixed assets.				
v Sources of grant and fee income				
Grant income from the OfS	23.5	24.1	23.5	24.1
Grant income from other bodies	189.4	180.6	189.4	180.6
Fee income for taught awards *	233.8	218.1	226.4	218.1
Fee income for research awards *	72.8	63.5	72.8	63.5
Fee income from non-qualifying courses *	32.9	52.9	32.9	41.1
	552.4	539.2	545.0	527.4

* Exclusive of Value Added Tax

Grant and fee income consist of Tuition fees and education contracts of £339.5m (2020: 334.5m) and Funding body grants of £212.9m (2020: £204.7m). Grant income from the OfS relates to income received by the University for the provision of, or in connection with, education-related activities. This includes recurrent teaching funding and non-recurrent funding, such as grants for capital infrastructure. Grant income from other bodies reflects grants from UK Research and Innovation (UKRI), Research England and other bodies. Fee income for taught and research awards includes fees received for both undergraduate and postgraduate awards but excludes research training support grants. Fee income from non-qualifying courses are fees paid by students (or others on their behalf) for non-credit-bearing courses, further education courses, research training support or any other courses not included in the other categories. The above table excludes the grant income received and reported through other income (see Note vi).

NOTES TO THE UNAUDITED ACCOUNTS IN RESPECT OF ACADEMIC ACTIVITIES

	Academic Group 2021 £m	Academic Group 2020 £m	Academic University 2021 £m	Academic University 2020 £m
vi Other income				
Other services rendered	55.7	49.7	47.1	40.9
Health and hospital authorities	21.6	22.6	21.6	22.6
Residences, catering, and conferences	4.4	7.6	4.3	7.5
Income from intellectual property	2.7	1.8	-	-
Rental income	22.6	22.6	20.2	20.4
Grants received (other than those included in Notes ii and iii above)	12.5	8.0	9.8	5.8
Transferred from Cambridge Assessment	23.8	222.6	23.8	222.6
Transferred from Cambridge University Press	4.3	12.0	4.3	12.0
Sundry income	34.4	20.5	36.7	26.0
	182.0	367.4	167.8	357.8

Other services rendered includes externally generated sales across a wide variety of activities such as University staff and equipment charged out on external projects, the provision of veterinary services, farming sales (crop and milk), and restoration services.

The transfers from Cambridge Assessment and Cambridge University Press include the annual contribution of some 30% of the operational surpluses of these operations.

During the financial year the University was the recipient of an award from the Arts Council Cultural Recovery Fund, to support the University of Cambridge Museums, West Road Concert Hall, and ADC Theatre. The total grant (included within grants received above) award was £0.6m and first tranche received during the year was £0.4m. The expenditure incurred was £0.5m during the year. The balance will be received in the next financial year, following completion of the grant-funded activities on or before 31st December 2021.

vii Investment income

Income from non-current asset investments	97.8	92.9	96.6	91.3
Income from current asset investments and cash equivalents	4.0	8.0	4.0	8.0
	101.8	100.9	100.6	99.3

Credited to:

Permanent endowment reserves	52.4	49.6	52.3	49.5
Expendable endowment reserves	10.2	9.8	10.1	9.8
Restricted reserves	2.3	2.0	2.3	2.0
Unrestricted reserves	36.9	39.5	35.9	38.0
	101.8	100.9	100.6	99.3

NOTES TO THE UNAUDITED ACCOUNTS IN RESPECT OF ACADEMIC ACTIVITIES

viii Staff costs	Academic Group 2021 £m	Academic Group 2020 £m	Academic University 2021 £m	Academic University 2020 £m
Wages and salaries	502.2	492.9	486.7	480.2
Social security costs	54.0	53.4	52.8	52.4
Pension costs:				
Current service cost	154.5	146.1	152.6	144.2
Net change in underlying assumptions in calculating USS deficit recovery provision (see Note xxiii)	(2.4)	(146.1)	(2.1)	(145.1)
Total pension costs (see below)	152.1	-	150.5	(0.9)
	708.3	546.3	690.0	531.7
The average number of staff employed in the year, expressed as full-time equivalents, was:	11,763	11,716	11,477	11,457

Following the update for the 2018 triennial valuation of the Universities Superannuation Scheme (USS), the impact of the change in assumptions (net of contributions payable) on staff costs resulting from the revised deficit recovery funding plan is noted above. The non-cash charge to staff costs resulting from the change in assumptions, including the change in discount rate, is £4.8m (2020: credit of £140.3m). Cash contributions made to reduce the deficit in the year amounted to £7.2m (2020: £5.8m) resulting in a net credit to staff costs of £2.4m (2020: £146.1m) for the year.

Remuneration and pay ratios of the Vice-Chancellor

The remuneration of the current Vice-Chancellor is detailed in the table below and relates to the year from 1 August 2020 to 31 July 2021 with the comparative relating to the year from 1 August 2019 to 31 July 2020.

	2021 £000	2020 £000
Salary for the period	379	379
Deductions to reflect salary sacrifice arrangements	(9)	(9)
Net salary paid in the year	370	370
Taxable benefits in kind	24	9
Non-taxable benefits in kind	19	27
Total excluding employer pension contributions	413	406
Employer pension contributions	17	17
Payments made in lieu of pension	45	45
Total remuneration	475	468

Salary for the period is the basic contractual salary before adjusting for salary sacrifice arrangements under which, in common with other employees, the Vice-Chancellor sacrificed an amount of pay relating to enhanced opt-out benefits for Death in Service and Ill Health. The employer pension contributions reflect both the employer payments for these benefits over to the Universities Superannuation Scheme and the Vice-Chancellor's contribution of £9,475 (2020: £9,475).

Taxable benefits in kind include private healthcare of £4,883 (2020: £4,831), accommodation-related costs (heating, lighting and maintenance) of £4,262 (2020: £4,431) and, for the first time, accommodation of £14,395.

HMRC wrote to all universities in April 2019 to warn that proposed changes to HMRC's interpretation of the relevant legislation would likely result in the provision of any accommodation associated with employment becoming a taxable benefit from 6 April 2021. For many universities, including Cambridge, the subsequent change affected official residences occupied by university leaders. The University of Cambridge has therefore had to reassess, from 6 April 2021, the way in which it covers the costs of the Vice-Chancellor's Lodge. The Lodge is provided to the Vice-Chancellor as part of his employment contract and the post holder is contractually required to reside there. The taxable accommodation benefit has been calculated on a basis agreed with HMRC, using the 'employer-related living accommodation' rules. The University Council has approved an equalisation payment to the Vice-Chancellor to cover the additional costs arising from the change in tax position, given the exceptional circumstances of the change occurring during the Vice-Chancellor's contract. Although a liability has arisen in the year to 31 July 2021, no tax payments in respect of the HMRC's change have fallen due in that year; equalisation payments will therefore be reflected in subsequent reporting periods. These payments should not be regarded as additional remuneration; they are made to ensure that the Vice-Chancellor's financial position is the same as it was before HMRC made this change.

Non-taxable benefits include flights home of £5,117 (2020: £7,199). The non-taxable benefits also include an amount of £13,589 (2020: £20,000) relating to the provision of the accommodation during the financial year, prior to the change in the tax position.

Pay ratios:

(a) The Vice-Chancellor's basic salary is 10.9 times (2020: 10.7) the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the University to its staff. The comparative ratio reflects the full year basic salary equivalent for the Vice-Chancellor.

(b) The Vice-Chancellor's total remuneration is 11.2 times (2020: 11.2) the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the total remuneration paid by the University to its staff. The comparative ratio reflects the full year remuneration equivalent for the Vice-Chancellor.

The median pay calculation includes over 832 agency staff employed on temporary contracts through the University's Temporary Employment Services (TES).

During the previous financial year the University Council agreed to implement a voluntary donation from taxable pay for those senior staff earning more than £100k per annum. The Vice-Chancellor committed to contribute 15% of his pay to the scheme, which was implemented on 1 October 2020.

NOTES TO THE UNAUDITED ACCOUNTS IN RESPECT OF ACADEMIC ACTIVITIES

viii Staff costs (continued)

Basic salary bandings for higher paid staff

The number of staff (FTE's) with a basic salary (including market pay supplements) in excess of £100,000 per annum, before salary sacrifice arrangements is outlined below:

	Clinical		Non-clinical		Total number	
	2021	2020	2021	2020	2021	2020
£100,001 - £105,000	12	19	56	54	68	73
£105,001 - £110,000	19	36	55	47	74	83
£110,001 - £115,000	35	11	18	20	53	31
£115,001 - £120,000	8	8	29	17	37	25
£120,001 - £125,000	6	3	22	17	28	20
£125,001 - £130,000	8	4	14	13	22	17
£130,001 - £135,000	2	-	8	11	10	11
£135,001 - £140,000	-	3	9	12	9	15
£140,001 - £145,000	-	1	11	9	11	10
£145,001 - £150,000	1	2	15	11	16	13
£150,001 - £155,000	-	-	6	9	6	9
£155,001 - £160,000	-	-	11	8	11	8
£160,001 - £165,000	-	-	5	6	5	6
£165,001 - £170,000	-	-	3	4	3	4
£170,001 - £175,000	-	-	5	4	5	4
£175,001 - £180,000	-	-	3	1	3	1
£180,001 - £185,000	-	-	3	2	3	2
£185,001 - £190,000	-	-	3	4	3	4
£190,001 - £195,000	-	-	4	4	4	4
£195,001 - £200,000	-	-	1	2	1	2
£200,001 - £205,000	-	-	1	-	1	-
£205,001 - £210,000	-	-	3	3	3	3
£210,001 - £215,000	-	-	1	1	1	1
£215,001 - £220,000	-	-	2	1	2	1
£225,001 - £230,000	-	-	1	1	1	1
£230,001 - £235,000	-	-	1	1	1	1
£240,001 - £245,000	-	-	1	-	1	-
£245,001 - £250,000	-	-	1	-	1	-
£295,001 - £300,000	-	-	1	-	1	-
£305,001 - £310,000	-	-	1	1	1	1
£335,001 - £340,000	-	-	1	1	1	1
£375,001 - £380,000	-	-	1	1	1	1
	91	87	296	265	387	352

The above bandings also include the Vice-Chancellor.

Compensation for loss of office

Aggregate payments for compensation for loss of office were paid to 427 members of staff in 2020-21 (308 in 2019-20):	2021	2020
	£000	£000
Payments in respect of loss of office	3,704	2,323

Under OFS revised guidance, payments made on termination of fixed term contracts should now be included within the disclosure of compensation for loss of office. As a result the comparative staff numbers and associated payments have been restated accordingly.

Key management personnel

The total remuneration of the Vice-Chancellor, the Pro-Vice-Chancellors, Chief Financial Officer and Registry for the year (or part thereof), comprising salary and benefits (taxable and non taxable), employer pension contributions and before salary sacrifice arrangements, was:	2,159	2,110
---	--------------	-------

The total Group pension cost for the year was:

	Employer contributions	Provisions (Note xxiii)	Total	Employer contributions	Provisions (Note xxiii)	Total
	2021	2021	2021	2020	2020	2020
	£m	£m	£m	£m	£m	£m
USS	110.6	(2.4)	108.2	106.8	(146.1)	(39.3)
CPS	20.9	15.2	36.1	21.3	10.5	31.8
NHSPS	2.6	-	2.6	2.6	-	2.6
Other pension schemes	5.3	(0.1)	5.1	4.7	0.2	4.9
	139.4	12.7	152.1	135.4	(135.4)	-

NOTES TO THE UNAUDITED ACCOUNTS IN RESPECT OF ACADEMIC ACTIVITIES

ix Analysis of consolidated expenditure by activity

	Staff costs £m	Other operating expenses £m	Depreciation £m	Interest payable £m	2021 Total £m	2020 Total £m
Academic departments	290.1	59.1	7.2	-	356.4	360.9
Academic services	38.6	8.2	1.9	-	48.7	52.2
Payments to Colleges	-	80.4	-	-	80.4	77.5
Research grants and contracts	248.1	199.9	23.5	-	471.5	450.7
Other activities:						
Other services rendered	23.4	32.8	0.5	-	56.7	51.3
Intellectual property	4.4	5.1	-	-	9.5	6.6
Residences, catering and conferences	2.7	2.5	-	-	5.2	14.2
Other activities total	30.5	40.4	0.5	-	71.4	72.1
Administration and central services:						
Administration	52.4	27.0	0.7	2.7	82.8	68.4
General educational	5.6	31.4	-	-	37.0	32.7
Staff and student facilities	4.1	0.4	-	-	4.5	4.8
Development office	7.4	5.4	-	-	12.8	13.6
Other	(0.4)	9.4	(0.3)	-	8.7	13.0
Administration and central services total	69.1	73.6	0.4	2.7	145.8	132.5
Premises	19.1	61.1	54.5	-	134.7	128.9
Interest payable on bond liabilities	-	-	-	38.1	38.1	119.9
Pension cost adjustments for USS (see Note xxiii)	(2.4)	-	-	1.2	(1.2)	(141.2)
Pension cost adjustments for CPS (see Note xxiii)	15.2	-	-	11.0	26.2	23.9
Total per income and expenditure account	708.3	522.7	88.0	53.0	1,372.0	1,277.4

x Access and participation

The spend incurred directly by the University in respect of access and widening participation activities for the financial year ended 31 July 2020 is outlined below. As this is the first year of disclosure in the financial statements there is no comparative shown.

	2021 £m	2020 £m
Access investment	1.6	1.7
Financial support for students	4.9	4.3
Support for disabled students	1.0	1.1
Research and evaluation	0.2	0.2
	7.7	7.3

Included within the above spend are staff costs amounting to £2.2m (2019-20: £2.1m) which are included within the staff note disclosures in Note viii.

The above spend reflects the investment made by the Academic University only and does not reflect any additional spend undertaken by the individual Colleges on these activities. The Colleges are not consolidated as part of the University's financial statements. However, due to the collegiate nature of the University, the access and participation plans provided to the OIS annually include activities undertaken by both the University and the Colleges. The combined University and Colleges access and participation plans, which do not form part of the audited financial statements, can be found at: <https://www.undergraduate.study.cam.ac.uk/access-and-participation-plans>.

NOTES TO THE UNAUDITED ACCOUNTS IN RESPECT OF ACADEMIC ACTIVITIES

xi Interest and other finance costs	Academic Group 2021 £m	Academic Group 2020 £m	Academic University 2021 £m	Academic University 2020 £m
Interest payable and other finance costs on bond liabilities (see Note xxii)	38.1	119.9	38.1	119.9
Interest on pension liabilities (see Note xxiii)	12.2	18.3	12.2	18.2
Finance charge / (credit) associated with the revaluation of forward exchange contracts	2.7	(1.0)	2.7	(1.0)
	53.0	137.2	53.0	137.1

The University is exposed to certain foreign currency transactions as part of its normal course of activities. The University enters into forward exchange contracts in order to provide greater certainty over the settlement exchange rates. To the extent that these contracts are unsettled at the balance sheet date they are revalued at that date with the resultant charge or credit being recognised through finance costs.

Interest payable and other finance costs on bond liabilities can be analysed as follows:

Bond liabilities - unsecured 2012 (fixed interest)	13.2	13.2	13.2	13.2
Bond liabilities - unsecured 2018 (fixed interest)	7.1	7.1	7.1	7.1
Bond liabilities - unsecured 2018 (index-linked)	17.8	99.6	17.8	99.6
	38.1	119.9	38.1	119.9

Included within the 2018 index-linked bond liabilities interest and finance costs is the adjustment to revalue the liabilities to their fair value at the balance sheet date. The additional financing charge recognised as a result of this revaluation is £17.0m (2020: £98.8m).

For further details on these bond liabilities see Note xxii.

xii Taxation	Academic Group 2020 £m	Academic Group 2019 £m	Academic University 2020 £m	Academic University 2019 £m
UK Corporation Tax	-	-	-	-
Foreign taxes	-	-	-	-
	-	-	-	-

Due to the exempt charity status of the University, the tax charge for UK Corporation Tax is typically nil. In addition, the University has £12.1m of unused Research Development Expenditure Credit (RDEC) brought forward from prior periods. This has not been recognised as an asset due to the lack of certainty that future taxable surpluses will be available against which to offset these credits.

xiii Intangible assets	Software £m	Others £m	2021 Total £m	2020 Total £m
Group				
Cost				
Opening balance	0.7	-	0.7	-
Additions	0.1	-	0.1	-
Disposals	-	-	-	-
Transfers (to) / from other balance sheet accounts	-	-	-	0.7
Transfers	-	-	-	-
Currency adjustments	-	-	-	-
Closing balance	0.8	-	0.8	0.7
Accumulated depreciation				
Opening balance	0.3	-	0.3	-
Charge for the year	0.2	-	0.2	0.1
Elimination on disposals	-	-	-	-
Transfers (to) / from other balance sheet accounts	-	-	-	0.2
Transfers	-	-	-	-
Currency adjustments	-	-	-	-
Closing balance	0.5	-	0.5	0.3
Net book value				
At 31 July	0.3	-	0.3	0.4
At 1 August	0.4	-	0.4	-

Amortisation of intangibles is included within 'other operating expenses' in the statement of comprehensive income.

NOTES TO THE UNAUDITED ACCOUNTS IN RESPECT OF ACADEMIC ACTIVITIES

xiv Tangible assets						2021	2020
	Land	Non-Leasehold Buildings	Leasehold Buildings	Assets in construction	Equipment	Total	Total
Group	£m	£m	£m	£m	£m	£m	£m
Cost							
Opening balance	338.7	1,660.3	328.9	223.9	400.5	2,952.3	2,825.1
Additions	-	0.1	-	161.9	31.8	193.8	155.3
Transfers	-	35.9	4.3	(40.2)	-	-	-
Transfers (to) / from investment properties	(0.3)	(0.5)	-	(0.3)	-	(1.1)	(13.7)
Transfers (to) / from other balance sheet accounts	-	-	-	-	-	-	(0.7)
Disposals	-	-	-	-	(11.1)	(11.1)	(13.5)
Currency adjustments	-	-	-	-	(0.2)	(0.2)	(0.2)
Closing balance	338.4	1,695.8	333.2	345.3	421.0	3,133.7	2,952.3
Accumulated depreciation							
Opening balance	-	237.6	35.6	-	343.9	617.1	538.8
Charge for the year	-	48.1	8.2	-	31.7	88.0	90.4
Transfers (to) / from investment properties	-	(0.2)	-	-	-	(0.2)	(0.6)
Transfers (to) / from other balance sheet accounts	-	-	-	-	-	-	(0.2)
Elimination on disposals	-	-	-	-	(11.2)	(11.2)	(11.1)
Currency adjustments	-	-	-	-	(0.2)	(0.2)	(0.2)
Closing balance	-	285.5	43.8	-	364.2	693.5	617.1
Net book value							
At 31 July	338.4	1,410.3	289.4	345.3	56.8	2,440.2	2,335.2
At 1 August	338.7	1,422.7	293.3	223.9	56.6	2,335.2	2,286.3

The net book value of leasehold land included in the above table is £30.8m (2020: £29.8m).

University						2021	2020
	Land	Non-Leasehold Buildings	Leasehold Buildings	Assets in construction	Equipment	Total	Total
Group	£m	£m	£m	£m	£m	£m	£m
Cost							
Opening balance	338.7	1,664.3	328.9	225.9	394.9	2,952.7	2,824.0
Additions	-	0.1	-	163.3	31.6	195.0	155.7
Transfers	-	36.2	4.3	(40.5)	-	-	-
Transfers (to) / from investment properties	(0.3)	(0.5)	-	(0.3)	-	(1.1)	(13.7)
Disposals	-	-	-	-	(11.2)	(11.2)	(13.3)
Closing balance	338.4	1,700.1	333.2	348.4	415.3	3,135.4	2,952.7
Accumulated depreciation							
Opening balance	-	237.8	35.7	-	339.7	613.2	535.4
Charge for the year	-	48.2	8.2	-	30.9	87.3	89.3
Transfers (to) / from investment properties	-	(0.2)	-	-	-	(0.2)	(0.6)
Elimination on disposals	-	-	-	-	(11.2)	(11.2)	(10.9)
Closing balance	-	285.8	43.9	-	359.4	689.1	613.2
Net book value							
At 31 July	338.4	1,414.3	289.3	348.4	55.9	2,446.3	2,339.5
At 1 August	338.7	1,426.5	293.2	225.9	55.2	2,339.5	2,288.6

The net book value of leasehold land included in the above table is £30.8m (2020: £29.8m).

NOTES TO THE UNAUDITED ACCOUNTS IN RESPECT OF ACADEMIC ACTIVITIES

xv Heritage assets	Academic	Academic	Academic	Academic
	Group	Group	University	University
	2021	2020	2021	2020
	£m	£m	£m	£m
Opening balance	73.6	72.0	73.6	72.0
Additions in the year	3.8	1.6	3.8	1.6
Closing balance at 31 July	77.4	73.6	77.4	73.6

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 significant accounting policies of the consolidated financial statements, 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 assets 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:	2021	2020	2019	2018	2017
	£m	£m	£m	£m	£m
Acquisitions purchased with specific donations	-	-	-	1.1	1.3
Value of acquisitions by donation	3.7	1.6	1.4	2.2	0.4
Total acquired by, or funded by, donations	3.7	1.6	1.4	3.3	1.7
Acquisitions purchased with University funds	-	-	-	-	0.5
Total acquisitions capitalised	3.7	1.6	1.4	3.3	2.2

xvi Non-current asset investments

a) Other investments

	Academic	Academic	Academic	Academic
	Group	Group	University	University
	2021	2020	2021	2020
	£m	£m	£m	£m
Opening balance	2,583.7	2,432.8	2,558.2	2,407.1
Additions in the year	72.5	350.3	70.8	350.0
Disposals in the year	(133.9)	(91.6)	(132.5)	(91.5)
Share of operating surplus / (deficit) in joint ventures and associates	0.1	(0.2)	-	-
Valuation gains / (losses) on investments	548.3	(107.6)	518.1	(107.4)
Closing balance at 31 July	3,070.7	2,583.7	3,014.6	2,558.2
Represented by:				
CUEF units (see Note vii)	2,906.1	2,334.9	2,902.5	2,331.8
Securities	12.3	11.5	11.1	10.6
Spin-out and similar companies	151.7	86.2	94.3	59.6
Investments in subsidiary undertakings	-	-	5.8	4.6
Investments in joint ventures	0.5	0.1	-	-
Other	0.1	0.1	0.9	0.5
	3,070.7	2,432.8	3,014.6	2,407.1

Other investments primarily relate to investments in farming and related products.

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. A number of subsidiary undertakings, Cambridge Colleges and other associated bodies also hold units in the CUEF. The assets of the CUEF were held in the following categories:

	31 July 2021		31 July 2020	
	£m	%	£m	%
Public equity	1,709.7	45.0%	1,456.5	44.7%
Private investment	741.8	19.5%	528.7	16.2%
Absolute return	501.7	13.2%	289.4	8.9%
Credit	114.1	3.0%	146.1	4.5%
Real assets	388.1	10.2%	286.6	8.8%
Fixed interest / cash	343.9	9.1%	551.8	16.9%
Total value of fund	3,799.3	100.0%	3,259.1	100.0%

Public equity includes all equity stocks traded on a liquid market, together with related non-publicly traded index funds and derivatives.

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.

NOTES TO THE UNAUDITED ACCOUNTS IN RESPECT OF ACADEMIC ACTIVITIES

xvi **Non-current asset investments (continued)**
a) Other investments (continued)

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:

	Academic Group 2021 £m	Academic Group 2020 £m	Academic University 2021 £m	Academic University 2020 £m
Non current asset investments (see Note xiii)	2,906.2	2,471.2	2,902.6	2,471.2
Current asset investments (see Note xvi) - balances held on behalf of:				
Subsidiary undertakings	-	-	3.6	-
Colleges	262.5	253.9	262.5	253.9
Other associated bodies	630.6	534.0	630.6	534.0
Total included in current asset investments	893.1	787.9	896.7	787.9
Total value of units	3,799.3	3,259.1	3,799.3	3,259.1

b) Investment properties

	Academic Group 2021 £m	Academic Group 2020 £m	Academic University 2021 £m	Academic University 2020 £m
Opening balance	574.8	501.4	574.8	501.4
Additions in the year	17.8	21.0	17.8	21.0
Disposals in the year	(9.4)	(28.0)	(9.4)	(28.0)
Transfers (to)/from other balance sheet accounts	0.9	-	0.9	-
Net gains from fair value adjustments	5.8	53.1	5.8	53.1
Closing balance	589.9	547.5	589.9	547.5
Represented by:				
North West Cambridge development	368.4	362.3	368.4	362.3
Other investment property	221.5	185.2	221.5	185.2
	589.9	547.5	589.9	547.5

Phase 1 of the North West Cambridge (NWC) development is essentially complete and includes accommodation for University staff and students, infrastructure and community facilities. The development has been valued as at 31 July 2021 by an external valuer, Gerald Eve LLP, a regulated firm of Chartered Surveyors. The valuation was prepared in set out in the UK national supplement (November 2018 edition) (collectively "the Standards") published by the Royal Institution of Chartered Surveyors (RICS) accordance with the terms of the RICS valuation - Global Standards (January 2020 edition) and the national standards and guidance and FRS 102. The valuation was undertaken on a fair value basis. The result is a revaluation loss in the carrying value of the investment of £(7.2)m (2020: gain of £6.2m). This is reflected as a valuation loss on investment and decreases the carrying value of the investment to £368.4m (2020: £369.4m). Other investment property is also revalued annually with properties valued in excess of £0.5m undertaken by an independent external valuer and the balance valued internally by a registered valuer within University's own Estates Management team. The annual valuation of these properties has resulted in a gain on investment of £13.0m (2020: £2.6m).

NOTES TO THE UNAUDITED ACCOUNTS IN RESPECT OF ACADEMIC ACTIVITIES

	Academic Group 2021 £m	Academic Group 2020 £m	Academic University 2021 £m	Academic University 2020 £m
xvii Stocks and work in progress				
Goods for resale	0.3	0.3	-	-
Other stocks	1.6	1.5	1.5	1.5
	1.9	1.8	1.5	1.5
xviii Trade and other receivables				
Amounts due within one year				
Research grants recoverable	118.0	115.5	118.0	115.5
Amounts due from group undertakings	29.2	21.8	38.6	31.2
Trade debtors	49.1	35.5	44.1	30.8
Other debtors	48.2	41.4	43.8	35.8
	244.5	214.2	244.5	213.3
xix Current asset investments				
CUEF units held on behalf of other entities (see Note vii)	893.2	787.9	896.8	790.8
Money market investments	138.0	170.1	138.0	170.1
	1,031.2	958.0	1,034.8	960.9
xx Cash and cash equivalents				
Money market investments with maturity less than three months	955.5	767.0	955.5	767.0
Cash at bank and in hand and with investment managers	20.1	14.4	-	-
	975.6	781.4	955.5	767.0
xxi Creditors: amounts falling due within one year				
Bank overdraft (see Note xxvii)	4.8	2.2	4.7	2.2
Finance leases (see Note xxvii)	0.1	0.1	0.1	0.1
Research grants received in advance	266.7	254.0	266.7	254.0
Other creditors and deferred income	217.0	224.8	173.2	183.6
Amounts due to group undertakings	2.0	1.7	25.2	29.6
Derivative financial instruments liabilities	0.2	0.2	0.2	0.2
Investments and cash equivalents held on behalf of subsidiary undertakings	836.8	681.1	843.3	685.5
Investments and cash equivalents held on behalf of Colleges and other associated bodies	266.2	266.9	266.2	266.9
	1,593.8	1,431.0	1,579.6	1,422.1

Amounts due to other group undertakings relate to amounts which are owed to entities consolidated as part of the Annual Report and Accounts of the University but which are not consolidated as part of the Academic Group.

Deferred income of £69.1m (2020: £84.3m) is included above for the Academic Group and £59.5m (2020: £76.5m) for the Academic University as at 31 July 2021.

NOTES TO THE UNAUDITED ACCOUNTS IN RESPECT OF ACADEMIC ACTIVITIES

xxii Creditors: amounts falling due after more than one year

	Academic Group 2021 £m	Academic Group 2020 £m	Academic University 2021 £m	Academic University 2020 £m
Bond liabilities - unsecured 2012 (Fixed interest)	343.0	342.9	343.0	342.9
Bond liabilities - unsecured 2018 (Fixed interest)	297.8	297.8	297.8	297.8
Bond liabilities - unsecured 2018 (Index-linked)	464.0	447.0	464.0	447.0
Bank loans	-	-	-	-
Finance leases	1.0	1.1	1.0	1.1
Accruals and deferred income	6.2	7.3	5.9	6.8
	1,112.0	1,096.1	1,111.7	1,095.6

On 17 October 2012 the University issued £350m of 3.75% unsecured bonds due October 2052. 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% p.a. is payable on 17 April and 17 October each year and commenced on 17 April 2013. In addition, on 27 June 2018 the University issued £300m of 2.35% unsecured bonds due June 2078. The bonds were issued at 99.552% of their principal amount. The proceeds of issue, less directly attributable transaction costs, amounted to £297.8m. Interest at 2.35% p.a. is payable on 27 June and 27 December each year and commenced on 27 December 2018.

The bonds will be redeemed at their principal amounts of £350m and £300m on 17 October 2052 and 27 June 2078 respectively. The bonds are 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. Under this method the discount at which the Bonds were issued and the transaction costs are accounted for as additional interest expense over the term of the bonds.

Also on 27 June 2018 the University issued £300m of index-linked bonds (the "Indexed bonds") due June 2068. The Indexed bonds were issued at 98.893% of their principal amount. Interest is payable annually in arrears on 27 June each year and commenced on 27 June 2019. The interest charged is calculated as the product of 0.25% p.a. and the Limited Index Ratio. The Indexed bonds will be redeemed in accordance with the Amortisation Schedule multiplied by the Limited Index Ratio or may be redeemed earlier at the option of the University. The Indexed bonds are accounted for as complex financial instruments and were initially recognised at fair value at the transaction date which was deemed to be the face value of the bonds (net of discount) of £296.7m. Transaction costs were immediately expensed on initial recognition of the bonds. Subsequently the bonds are re-measured to their fair value at each consecutive reporting date with any increase or decrease in liability recognised through finance costs in the statement of comprehensive income. As at 31 July 2021 the Indexed bonds were revalued upwards to £464.0m based on an average price of three independent valuation, increasing the liability and resulting in a fair value adjustment charge through finance costs of £17.0m (2020: 98.8m).

All the bonds referred to above are listed on the London Stock Exchange.

The movement in net debt is disclosed in Note xxvii.

NOTES TO THE UNAUDITED ACCOUNTS IN RESPECT OF ACADEMIC ACTIVITIES

xxiii Pension liabilities

Group	CPS	USS deficit	Other	Total	Total
	£m	recovery £m	£m	2021 £m	2020 £m
Opening balance	777.0	159.3	0.3	936.6	933.7
Movement in year:					
Current service cost	42.8	-	7.0	49.8	45.1
Past service cost	-	-	-	-	-
Contributions	(28.6)	-	(7.1)	(35.7)	(35.5)
Administration expenses	1.0	-	-	1.0	1.0
Interest on liability	11.0	1.2	-	12.2	18.3
Currency adjustments	-	-	-	-	-
Net change in underlying assumptions (see Note viii):					
- change in underlying assumptions	-	4.8	-	4.8	(140.3)
- USS deficit contributions payable	-	(7.2)	-	(7.2)	(5.8)
Actuarial (gain) / loss	4.5	-	-	4.5	120.1
Closing balance at 31 July	807.7	158.1	0.2	966.0	936.6
University					
Opening balance	777.0	157.0	-	934.0	930.3
Movement in year:					
Current service cost	42.8	-	7.0	49.8	44.9
Past service cost	-	-	-	-	-
Contributions	(28.6)	-	(7.0)	(35.6)	(35.5)
Administration expenses	1.0	-	-	1.0	1.1
Interest on liability	11.0	1.2	-	12.2	18.2
Currency adjustments	-	-	-	-	-
Net change in underlying assumptions (see Note viii):					
- change in underlying assumptions	-	5.0	-	5.0	(139.3)
- USS deficit contributions payable	-	(7.1)	-	(7.1)	(5.8)
Actuarial (gain) / loss	4.5	-	-	4.5	120.1
Closing balance at 31 July	807.7	156.1	-	963.8	934.0

The net liability in respect of the Cambridge University Assistants' Contributory Pension Scheme (CPS) represents the present value of this defined benefit scheme's obligations to provide future benefits in relation to past service, less the assets of the scheme. For additional information please refer to the audited financial statements of the University.

The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arises from the contractual obligation with the USS to fund deficit payments in accordance with the deficit recovery plan. In calculating this provision, management have estimated future staff levels within the USS scheme for the duration of the contractual obligation and salary inflation.

The latest available complete actuarial valuation of the Retirement Income Builder section of the scheme is at 31 March 2018 (the valuation date), which was carried out using the projected unit method. A valuation as at 31 March 2020 is now complete at the year end however this is still going through members' consultation. Please refer note 42 for more information.

The major assumptions used to calculate the obligation are:

	2021	2020
Discount rate	0.89%	0.74%
Pensionable salary growth *	1.0% - 5.0%	0.5% - 3.0%

The salary range reflects higher and lower salary in various entities and years included in the calculation of USS deficit provision

Sensitivity analysis

As set out in the accounting policies, there are some critical judgements made in estimating the obligation to fund the USS deficit. The sensitivity of the principal assumptions used to measure the USS deficit provision are set out below:

Change in assumptions at 31 July 2021

- Impact of a 0.5% p.a. decrease in discount rate
- Impact of a 0.5% p.a. increase in salary inflation over duration
- Impact of a 0.5% p.a. increase in salary inflation year 1 only
- Impact of a 0.5% increase in staff changes year one only
- Impact of a 0.5% increase in staff changes over duration
- Impact of a 1.0% increase in deficit contributions from April 2021
- 1 year increase in term

Approximate impact

Liability increases by £4m
Liability increases by £4m
Liability increases by £1m
Liability increases by £1m
Liability increases by £4m
Liability increases by £31m
Liability increases by £31m

NOTES TO THE UNAUDITED ACCOUNTS IN RESPECT OF ACADEMIC ACTIVITIES

xxiv Endowment reserves				2021	2020	
Group	Permanent £m	Expendable £m		Total £m	Total £m	
Balance at 1 August	1,386.7	293.2		1,679.9	1,707.9	
New endowments received	42.6	0.9		43.5	35.5	
Investment income	52.4	10.2		62.6	59.4	
Expenditure	(39.7)	(12.5)		(52.2)	(49.2)	
Valuation gains / (losses) on investments	280.0	55.2		335.2	(73.7)	
Balance at 31 July	1,722.0	347.0		2,069.0	1,679.9	
Capital	1,481.4	302.3		1,783.7	1,452.9	
Unspent income	240.6	44.7		285.3	227.0	
Balance at 31 July	1,722.0	347.0		2,069.0	1,679.9	
Representing:						
Trust and Special Funds:						
Professorships, Readerships, and Lectureships	849.3	95.5		944.8	787.7	
Scholarships and bursaries	260.7	19.1		279.8	223.8	
Other	577.6	232.4		810.0	669.4	
General endowments	34.4	-		34.4	27.0	
Group total	1,722.0	347.0		2,069.0	1,707.9	
University						
Balance at 1 August	1,383.5	293.1		1,676.6	1,704.6	
New endowments received	42.6	0.9		43.5	35.5	
Investment income	52.3	10.1		62.4	59.3	
Expenditure	(39.7)	(12.5)		(52.2)	(49.2)	
Valuation gains / (losses) on investments	279.4	55.2		334.6	(73.6)	
Balance at 31 July	1,718.1	346.8		2,064.9	1,676.6	
Capital	1,477.5	302.1		1,779.6	1,449.6	
Unspent income	240.6	44.7		285.3	227.0	
Balance at 31 July	1,718.1	346.8		2,064.9	1,676.6	
xxv Restricted reserves						
	Unspent capital grants £m	Unspent research grants £m	Specific donations £m	Other Restricted Reserves £m	2021 Total £m	2020 Total £m
Group						
Balance at 1 August	15.7	44.5	68.3	24.6	153.1	127.4
Donations and grants recognised in the year	90.7	26.8	36.9	-	154.4	149.3
Investment income	0.2	-	1.2	0.9	2.3	2.0
Expenditure	0.7	(23.7)	(18.4)	1.3	(40.1)	(27.5)
Capital grants spent	(100.1)	-	-	-	(100.1)	(101.0)
Valuation gains / (losses) on investments	1.3	-	6.3	4.8	12.4	(2.1)
Transfer from unrestricted income	-	-	-	-	-	5.0
Actuarial loss	-	-	-	-	-	-
Balance at 31 July	8.5	47.6	94.3	31.6	182.0	153.1
University						
Balance at 1 August	15.6	44.5	68.3	24.6	153.0	127.3
Donations and grants recognised in the year	90.7	26.8	36.9	-	154.4	149.1
Investment income	0.2	-	1.2	0.9	2.3	2.0
Expenditure	0.5	(23.7)	(18.4)	1.5	(40.1)	(27.3)
Capital grants spent	(100.0)	-	-	-	(100.0)	(101.0)
Valuation gains / (losses) on investments	1.3	-	6.3	4.8	12.4	(2.1)
Transfer from unrestricted income	-	-	-	-	-	5.0
Actuarial loss	-	-	-	-	-	-
Balance at 31 July	8.3	47.6	94.3	31.8	182.0	153.0

NOTES TO THE UNAUDITED ACCOUNTS IN RESPECT OF ACADEMIC ACTIVITIES

xxvi Capital commitments

	Academic Group 2021 £m	Academic Group 2020 £m
Commitments for capital expenditure:		
Commitments contracted at 31 July	234.7	312.0
Authorised but not contracted at 31 July	66.5	109.4
Commitments for capital calls on investments	568.3	462.6

xxvii Reconciliation of Net Debt

An analysis of the movement in net debt for the year ended 31 July 2020 is provided below:

	At 1 August 2020 £m	Cash changes £m	Non-cash changes £m	At 31 July 2021 £m
Cash and cash equivalents (see Note xx)	781.4	193.6	0.6	975.6
Money market investments (see Note xix)	170.1	(32.1)	-	138.0
Debt due within one year (see Note xxi):				
- Bank overdraft	(2.2)	(2.6)	-	(4.8)
- Finance leases	(0.1)	0.1	(0.1)	(0.1)
Debt due after more than one year (see Note xxii):				
- Finance leases	(1.1)	-	0.1	(1.0)
- Bond liabilities (unsecured 2012 fixed interest)	(342.9)	-	(0.1)	(343.0)
- Bond liabilities (unsecured 2018 fixed interest)	(297.8)	-	-	(297.8)
- Bond liabilities (unsecured 2018 index-linked)	(447.0)	-	(17.0)	(464.0)
Net debt	(139.6)	159.0	(16.5)	2.9

Net debt includes the non-cash fair value adjustment to revalue the CPI-linked bond at the balance sheet date. This represents a valuation of the liability at a point in time and is not necessarily reflective of the final repayment value on redemption of the bond. As such, management's view is that an adjusted net cash position (removing the cumulative effects of the fair value adjustment of £167.3m and accretion in the value of CPI-linked Bond of £15.6m) of £154.6m is more representative of the underlying borrowing position.

xxviii Post balance sheet event (non adjusting)

The Universities Superannuation Scheme 2020 valuation has now been signed and filed with The Pensions Regulator with an effective date of 1 October 2021. The 2020 Valuation came into effect with a dual rate schedule of contributions:

- leg 1 includes a small increase in contribution rates from the 2018 Valuation and a longer deficit recovery period as a result of the decision to proceed with benefit change by the Joint Negotiating Committee (JNC) subject to member consultation.
- leg 2 includes more significant increases in contribution rates from the 2018 Valuation and shorter deficit recovery period, which only becomes applicable if the JNC recommended deed on benefit changes has not been executed by 28 February 2022.

Note that, for both legs of the 2020 valuation, the future service cost of funding the current benefits is different than it was under the 2018 valuation. As stated above, the deficit recovery contributions (DRCs) in the dual rate SoC differ in size and duration between the first and second legs.

In the first leg of the SoC, DRCs under the 2018 valuation (2% upto 30 september 2021) cease from 1 October 2021. DRCs under leg 1 of the 2020 valuation commence from 1 April 2022 and include allowance for the fact that until 1 April 2022 the contributions payable under this leg of the SoC are less than the contributions required to fund the unchanged benefits accruing in that period. From 1 April 2022, when the proposed benefit changes are assumed to have been implemented the DRCs are equal to 6.3% of salaries and are payable for the length of the recovery plan until 31 March 2038.

The second leg of the SoC would only become applicable if the JNC recommended deed on benefit changes has not been executed by 28 February 2022. In this leg, DRCs commence from 1 October 2022 and include allowance for the fact that until 1 October 2022 the contributions payable under this leg of the SoC are less than the contributions required to fund the benefits accruing in that period. From 1 October 2022 DRCs commence at 3% then increase every 6 months (the difference between 37% required to fund future service cost and the total contributions being collected) until they reach 20% at 1 October 2025. They remain at this level until 31 July 2032. The higher DRCs and shorter recovery period reflect the lower level of covenant support provided under this leg.

If the 2020 valuation would have completed on or before 31 July 2021, the deficit recovery provision would have significantly increased to approximately £460m in leg 1 which is an increase of £308m (through staff costs in comprehensive income) using appropriate discount rate for change in scheme duration. The deficit recovery provision in leg 2 would have been approximately £728m (an increase of £577m).

NOTES TO THE UNAUDITED ACCOUNTS IN RESPECT OF ACADEMIC ACTIVITIES

xxix SUMMARY CONSOLIDATED FINANCIAL INFORMATION

Financial summary (unaudited)

The financial summary set out below has been extracted from the financial statements of the Academic Group as reported in the Cambridge University Reporter for the five years ended 31 July 2021.

(a) Summary consolidated statement of comprehensive income (£m)	2021	2020	2019	2018	2017
Total income	1,522.5	1,660.9	1,485.2	1,308.4	1,212.8
Total expenditure	1,372.0	1,277.4	1,576.5	1,224.6	1,134.5
Surplus / (deficit) before other gains and losses	150.5	383.5	(91.3)	83.8	78.3
Share of operating surplus / (deficit) in joint ventures	0.1	(0.2)	–	–	–
Gain on disposal of fixed assets *	0.1	5.1	–	–	–
Gain / (loss) on investments	554.5	(99.6)	126.2	96.9	253.7
Surplus before tax	705.2	288.8	34.9	180.7	332.0
Surplus for the year	705.2	288.8	34.9	179.5	332.0
Actuarial gain/(loss)	(4.5)	(120.1)	(169.8)	99.1	(1.0)
Other comprehensive income for the year	(0.1)	–	–	1.6	0.2
Total comprehensive income / (expense) for the year	700.6	168.7	(134.9)	280.2	331.2
Represented by:					
Endowment comprehensive income / (expense) for the year	389.3	(28.0)	112.8	114.5	183.7
Restricted comprehensive income for the year	129.0	126.7	121.5	74.3	49.1
Unrestricted comprehensive income / (expense) for the year	182.3	70.0	(369.2)	91.4	98.4
	700.6	168.7	(134.9)	280.2	331.2
Adjusted consolidated statement of comprehensive income					
Surplus for the year	705.2	288.8	34.9	179.5	332.0
Less: (Gain) / loss on investments	(554.5)	99.6	(126.2)	(96.9)	(253.7)
Less: CPI-linked bond fair value adjustment	17.0	98.8	51.5	–	–
Less: USS pension deficit recovery reflected in staff costs	4.8	(140.3)	204.9	5.6	(0.3)
Less: Harding endowment	(4.0)	(15.0)	(41.3)	–	–
Less: Capital grants and donations	(109.8)	(120.0)	(107.0)	(75.6)	(80.5)
Less: Research Development Expenditure Credit (net of tax)	–	–	–	(0.5)	–
Less: Transfer of assets from Cambridge Assessment	–	–	(22.6)	(24.4)	–
Less: Special contribution from Cambridge Assessment	–	(207.5)	–	–	–
Less: Special contribution from Cambridge University Press	–	(10.0)	–	–	–
Adjusted surplus / (deficit) for the year	58.7	(5.6)	(5.8)	(12.3)	(2.5)
(b) Summary consolidated balance sheets (£m)					
Non-current assets	6,178.5	5,567.7	5,338.6	4,929.0	4,675.1
Current assets	2,253.2	1,955.4	2,222.2	2,292.3	1,459.0
Total assets	8,431.7	7,523.1	7,560.8	7,221.3	6,134.1
Current liabilities	(1,593.8)	(1,431.0)	(1,744.3)	(1,717.6)	(1,426.2)
Non-current liabilities	(2,078.0)	(2,032.8)	(1,925.9)	(1,478.2)	(962.6)
Net assets	4,759.9	4,059.3	3,890.6	4,025.5	3,745.3
Income and expenditure reserve - endowment	2,069.0	1,679.9	1,707.9	1,595.1	1,480.6
Income and expenditure reserve - restricted	182.2	153.1	127.4	97.0	84.6
Income and expenditure reserve - unrestricted	2,508.7	2,226.3	2,055.3	2,333.4	2,180.1
Total reserves	4,759.9	4,059.3	3,890.6	4,025.5	3,745.3
Net debt	2.9	(139.6)	(137.8)	(75.6)	(84.9)
Less: CPI-linked bond fair value adjustment	167.3	150.3	51.5	–	–
Add: accretion of CPI-linked bond (cumulative adjustment)	(15.6)	(9.0)	(7.3)	(1.3)	–
Adjusted net debt	154.6	1.7	(93.6)	(76.9)	(84.9)

* Prior to 2019-20 any gain/loss on disposal of fixed assets was included in 'other income' and not separately disclosed on the face of the statement of comprehensive income.