

Company Registration Number: 01069886

CAMBRIDGE ENTERPRISE LIMITED

**ANNUAL REPORT AND FINANCIAL
STATEMENTS**

FOR THE YEAR ENDING 31 JULY 2021

CAMBRIDGE ENTERPRISE LIMITED

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CAMBRIDGE ENTERPRISE LIMITED

DIRECTORS AND ADVISERS

DIRECTORS

Ajay Chowdhury
Dr Diarmuid O'Brien
Dr Paul Seabright
Dr Jane Osbourn
Debapriya Purkayastha
Professor Andrew Neely
Anthony Odgers
Professor Russell Cowburn
Professor Patrick Maxwell
Annalisa Gigante
Professor Laura Diaz Anadon

COMPANY SECRETARY

Emma Rampton

REGISTERED OFFICE

The Old Schools
Trinity Lane
Cambridge
Cambridgeshire
CB2 1TN

BANKERS

Barclays Bank Plc
9-11 St Andrew's Street
Cambridge
CB2 3AX

INDEPENDENT AUDITORS

Peters Elworthy & Moore
Salisbury House
Station Road
Cambridge
CB1 2LA

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2021

The directors present their strategic report for the year ended 31 July 2021

REVIEW OF THE BUSINESS AND PRINCIPAL RISKS & UNCERTAINTIES

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the Company relate to the continued support and funding of technology transfer activities and the continued uptake of IP and know-how by organisations within the private sector both domestically and abroad, especially when considering the ongoing challenges presented by the uncertain global economic climate. The board has implemented policies to ensure that these risks are appropriately mitigated.

FUTURE DEVELOPMENTS

The directors' intention is that the business will target growth in the service provided to University academics in the coming years with an aim to extend it across all Schools of the University of Cambridge and to engage with industry in a bid to effectively disseminate IP and know-how originating from University of Cambridge research.

The Company has a 100% shareholding in Cambridge University Technical Services Limited and Cambridge Enterprise Capital Limited but is not required to prepare consolidated financial statements in accordance with section 400 "Exemption for company included in EEA group accounts of larger group" of the Companies Act 2006 on the grounds that the results of both companies are included in the consolidated financial statements of the University of Cambridge. Copies of these financial statements can be obtained from the Company Secretary at The Old Schools, Trinity Lane, Cambridge, Cambridgeshire, CB2 1TN. A more comprehensive summary of group activities, including certain funds managed on behalf of the University of Cambridge, is published in the Cambridge Enterprise Annual Review. The Cambridge Enterprise Annual Review is made available on the company's website.

RESULTS AND DIVIDENDS

The financial results for the Company show a profit for the financial year of £28,669,747 (2020: loss of £292,049) and turnover of £3,939,024 (2020: £3,940,111). The net assets at the balance sheet date were £55,845,610 (2020: £27,369,865). The directors do not recommend payment of a dividend (2020: nil).

KEY PERFORMANCE INDICATORS ("KPIs")

The main KPIs for the business are non-financial in nature and include: number of IP disclosures (number of instances of IP disclosed by academics in the year) 160 (2020: 169), number of signed licences 154 (2020: 120), number of patent applications 250 (2020: 265) and the number of active agreements (all active agreements as at 31 July 2021) 1,063 (2020: 969). The Company employed 75 persons (2020: 77) of which the full time equivalent (FTE) is 67 persons (2020: 68).

**STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2021
(CONTINUED)**

FINANCIAL RISK MANAGEMENT

The Company's operations expose it to a variety of financial risks. The Company has in place a risk management programme that seeks to limit the adverse effect of these risks on the financial performance of the Company. Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the Company's Finance Department. The directors are of the opinion that disclosure of financial risk management policies is not material for the assessment of the entity's assets or liabilities, or the financial position of the business.

Approved by the Board of Directors and authorised for issue on and signed on behalf of the Board.

Dr Diarmuid O'Brien
Director

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2021

The directors present their report and the audited financial statements of the Company for the year ended 31 July 2021.

PRINCIPAL ACTIVITIES

The principal activity of the Company was that of the commercial exploitation of intellectual property generated in the University of Cambridge.

The Company will make a gift aid payment to the University of Cambridge of £nil (2020: £nil).

The directors do not recommend payment of a dividend (2020: £nil).

Future developments and financial risk management are disclosed within the Strategic Report on page three.

DIRECTORS

The directors who served during the year and up to the date of signing the financial statements were as follows:

Mr Charles Cotton (resigned 17 December 2020)

Dr Anthony Raven (resigned 23 August 2021)

Dr Diarmuid O'Brien (appointed 20 April 2021)

Dr Paul Seabright

Dr Jane Osbourn

Debapriya Purkayastha

Professor Andrew Neely

Anthony Odgers

Professor Anne Griffiths (resigned 17 December 2020)

Professor Russell Cowburn

Professor Patrick Maxwell

Ajay Chowdhury

Annalisa Gigante

Professor Laura Diaz Anadon (appointed 21 June 2021)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2021
(CONTINUED)**

STATEMENT OF DIRECTORS' RESPONSIBILITIES (CONTINUED)

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

DIRECTORS' INDEMNITIES

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

DISCLOSURE OF INFORMATION TO INDEPENDENT AUDITORS

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the Board of Directors and authorised for issue on and signed on behalf of the Board.

Dr Diarmuid O'Brien
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAMBRIDGE ENTERPRISE LIMITED

We have audited the financial statements of Cambridge Enterprise Limited (the 'Company') for the year ended 31 July 2021 which comprise the Statement of Total Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 July 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAMBRIDGE ENTERPRISE LIMITED (CONTINUED)

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 require us to report to you if, in our opinion:

- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAMBRIDGE ENTERPRISE LIMITED (CONTINUED)

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Company through discussions with directors and other management, and from our knowledge and experience of the sector;
- we obtained an understanding of the legal and regulatory framework applicable to the Company and how the Company is complying with that framework;
- we obtained an understanding of the Company's policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance;
- we identified which laws and regulations were significant in the context of the Company. The Laws and regulations we considered in this context were Companies Act 2006 and taxation legislation. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items;
- in addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Company's ability to operate or to avoid material penalty; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we;

- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policy were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reviewing minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CAMBRIDGE ENTERPRISE LIMITED (CONTINUED)**

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Kelly Bretherick (Senior Statutory Auditor)
for and on behalf of

PETERS ELWORTHY & MOORE

Chartered Accountants and Statutory Auditors
Salisbury House
Station Road
Cambridge
CB1 2LA
Date:

CAMBRIDGE ENTERPRISE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY 2021

	Note	2021 £	2020 £
TURNOVER	5	3,939,024	3,940,111
Cost of sales		(2,448,946)	(2,676,435)
Gross profit		1,490,078	1,263,676
ADMINISTRATIVE EXPENSES:			
Amounts payable and paid to the University of Cambridge representing the departmental share of distributions		(802,166)	(724,809)
Other administrative expenses		(6,466,139)	(5,786,679)
Total administrative expenses		(7,268,305)	(6,511,488)
Other operating income		4,562,707	4,523,610
OPERATING LOSS	6	(1,215,520)	(724,202)
Income from fixed asset investments	12	157,332	500,649
Revaluation of fixed asset investments	12	29,736,526	(89,354)
PROFIT BEFORE INTEREST AND TAXATION		28,678,338	(312,907)
Interest receivable and similar income	8	-	50,942
Interest payable and similar expenses	8	(8,591)	(30,084)
Net interest income	8	(8,591)	20,858
PROFIT BEFORE TAXATION		28,669,747	(292,049)
Tax on profit	9	-	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		28,669,747	(292,049)

All activities derive from continuing operations.

The notes on pages 14 to 29 form an integral part of these financial statements.

CAMBRIDGE ENTERPRISE LIMITED**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021
(CONTINUED)****BALANCE SHEET AS AT 31 JULY 2021**

	Note	2021 £	2020 £
FIXED ASSETS			
Intangible assets	10	253,830	337,409
Tangible assets	11	31,354	44,737
Investments	12	57,271,029	27,182,870
		<u>57,556,213</u>	<u>27,565,016</u>
CURRENT ASSETS			
Debtors	13	2,848,494	3,676,588
Cash at bank and in hand		2,300,046	2,737,577
		<u>5,148,540</u>	<u>6,414,165</u>
CREDITORS: amounts falling due within one year	14	(5,714,845)	(5,442,013)
NET CURRENT ASSETS		<u>(566,305)</u>	<u>972,152</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>56,989,908</u>	<u>28,537,168</u>
CREDITORS: amounts falling due after more than one year	15	(1,144,298)	(1,167,303)
NET ASSETS		<u>55,845,610</u>	<u>27,369,865</u>
CAPITAL AND RESERVES			
Called up share capital	18	3,333,335	3,333,335
Revaluation reserve		3,320,822	3,514,824
Profit and loss account		49,191,453	20,521,706
TOTAL EQUITY		<u>55,845,610</u>	<u>27,369,865</u>

The notes on pages 14 to 29 form an integral part of these financial statements.

These financial statements on pages 11 to 29 were approved by the Board of Directors on _____ and
signed on its behalf by

Dr Diarmuid O'Brien
Director

Company Registration Number. 01069886

CAMBRIDGE ENTERPRISE LIMITED**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021
(CONTINUED)****STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2021**

	Called up share capital £	Revaluation Reserve £	Profit and loss account £	Total Equity £
Balance at 1 August 2020	3,333,335	3,514,824	20,813,755	27,661,914
Total comprehensive income for the financial year	-	-	(292,049)	(292,049)
Balance at 31 July 2020	3,333,335	3,514,824	20,521,706	27,369,865
Balance at 1 August 2020	3,333,335	3,514,824	20,521,706	27,369,865
Total comprehensive income for the financial year	-	-	28,669,747	28,669,747
Investments disposed of in year	-	(194,002)	-	(194,002)
Balance at 31 July 2021	3,333,335	3,320,822	49,191,453	55,845,610

The notes on pages 14 to 29 form an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 JULY 2021**

1. GENERAL INFORMATION

Cambridge Enterprise Limited is the technology transfer office for the University of Cambridge, established to aid the transfer of knowledge from the University through commercialisation and supporting research initiatives as they relate to consultancy, intellectual property management and the creation of spin-out companies.

The company is a private company limited by shares and is incorporated and domiciled in England, United Kingdom. The address of its registered office is The Old Schools, Trinity Lane, Cambridge, Cambridgeshire CB2 1TN.

2. STATEMENT OF COMPLIANCE

The financial statements of Cambridge Enterprise Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, “The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland” (“FRS 102”) and the Companies Act 2006.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of Preparation

These financial statements are prepared on the going concern basis, under the historical cost convention, as modified by the revaluation of investments and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company’s accounting policies. The areas involving higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

Going Concern

The company meets its day to day working capital requirements through its bank facilities. The Company’s forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current facilities. The directors have received confirmation that the University of Cambridge intends to support the Company for at least one year after these financial statements are signed. The company therefore continues to adopt the going concern basis in preparing its financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021 (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Exemptions for qualifying entities under FRS 102

The company is a wholly-owned subsidiary of the University of Cambridge and is included in the consolidated financial statements of the University of Cambridge, which are publicly available. FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company shareholders. The company has taken advantage of the following exemptions in FRS 102:

- (i) from preparing a statement of cash flows, as stated in Section 7 of FRS 102: *Statement of Cash Flows* and paragraph 3.17(d) of FRS 102: *Financial Statement Presentation*, on the basis that it is a qualifying entity.
- (ii) from disclosing transactions with other wholly owned Group companies as stated in paragraph 33.1A of FRS 102: *Related Party Disclosures*.
- (iii) from disclosing detailed information on financial instruments as set out in paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), and 11.48(c) of FRS 102: *Basic Financial Instruments*; and paragraphs 12.26, 12.27, 12.9(a), 12.29(b) and 12.29A of FRS 102: *Other Financial Instruments Issues*, on the basis that it is a qualifying entity and disclosures equivalent to those required by this FRS are included in the consolidated financial statements of the Group in which this entity is consolidated.

Consolidated financial statements

The Company is a wholly owned subsidiary of the University of Cambridge. It is included in the consolidated financial statements of the University of Cambridge which are publicly available. Therefore the Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

Foreign currency

The Company's functional and presentation currency is GBP. Foreign currency transactions are translated into the functional currency using spot exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of transactions are recognised in the statement of comprehensive income.

Turnover

Turnover principally represents amounts invoiced for the provision of services which fall within the Company's ordinary activities, net of value added tax. The services provided by Cambridge Enterprise Limited comprise the assessment and protection of the University of Cambridge IP assets, the identification of a commercial partner, agreement of commercial terms, billing in accordance with contract terms, cash collection and distribution of income to inventors and University departments in accordance with the University IPR policy after the cash is collected. Turnover is recognised on completion of the relevant aspect of the service.

Other operating income

Other operating income comprises University funding, patent and proof of concept reimbursement, seed funds management fee, recharges of cost and sponsorship income and is recognised on a retrospective basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021 (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employee benefits

The Company provides a range of benefits to employees, including paid holiday arrangements and multi-employer pension plans.

(i) Short term benefits

Short term benefits are recognised as an expense in the period in which the service is received. The Company recognises a cost for annual leave earned by employees as a result of services rendered in the current period, which employees are entitled to carry forward and use within the next twelve months. The accrual is measured at the salary cost payable for the period of absence.

(ii) Pension costs

The company is a member of two pension schemes. The Universities Superannuation Scheme (USS) is a multi-employer defined benefit scheme, accounted for as defined contribution as permitted for multi-employer plans for which sufficient information is not available to use defined benefit accounting. The Cambridge University Assistants' Contributory Pension Scheme (CPS) is a defined benefit scheme operated by the University of Cambridge, which is accounted for as defined contribution on the basis that it is not possible to separate the CEL employee assets from the other plan assets.

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.

Defined benefit pension scheme deficit provision

As a deficit funding plan for the USS is in place, the company must therefore recognise a liability for the present value of the contributions payable that arise from that agreement (to the extent that they relate to the deficit) with the resulting expense recognised in the profit or loss. This provision is calculated using the parameters of the pension scheme itself in combination with those specific to the company. The company cannot be held liable for other entities' obligations in relation to the plan.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset on a straight line basis as follows:

Computer equipment	20% - 33%
Furniture and equipment	33%

Computer equipment includes assets associated with the website which are depreciated on a straight line basis over five years.

Assets in the course of construction are stated at cost. These assets are not depreciated until available for use.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021 (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible fixed assets and amortisation

Intangible fixed assets are stated at historic purchase cost less accumulated and accumulated impairment losses. Cost includes the original purchase price, costs attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset on a straight line basis as follows:

CRM system	20%
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Leased assets

Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

Investments

(i) Investments in associates & subsidiary undertakings

Investments in subsidiary undertakings are held at cost less accumulated impairment losses.

(ii) Investment in technology spin-outs

Investments are held at fair value, as per the guidelines set out in the International Private Equity and Venture Capital Guidelines December 2015. Gains and losses arising on revaluation of investments, other than subsidiary undertakings, are taken to the profit and loss account.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks.

Share capital

Ordinary shares are classified as equity. No other class of share has been issued by the Company.

Distributions to equity holders

Dividends and other distributions to the Company's shareholders are recognised as a liability in the financial statements in the year which the dividends or other distributions are approved by the company shareholders. These amounts are recognised in the statement of changes in equity.

Donations made to parent charities by companies are legally considered distributions.

Accordingly, it is not allowable for the donation to exceed the amount of profit available for distribution under the Companies Act 2006. The company's policy is therefore to distribute an amount of profit that will not exceed the amount allowable for distribution.

Related party transactions

The Company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021 (CONTINUED)

4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Multi-employer defined benefit pension scheme

FRS 102 requires a liability to be recognised for the present value of the pension contributions payable that arise from the USS pension deficit agreement (to the extent that they relate to the deficit) with the resulting expense recognised in the profit or loss.

The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

(b) Investment valuation

The Company makes valuation estimates for all current shareholdings in its investment portfolio, at the end of each financial year. The Company follows British Private Equity & Venture Capital Association guidelines when valuing investments in private companies. For non-profitable private companies this is generally at price at last transaction (PALT), or discounted PALT with a 10% discount for each preference share class that sits above the investment. For profitable companies, valuation is made using an equivalent public company price-earnings ratio, but with an industry standard 30% discount applied to private company investments or public company investments with liquidity constraints. Investments in public companies are valued at the market rate as at the end of the financial year or a rate closest to the year end date.

5. TURNOVER

Analysis of turnover by geography:

	2021	2020
	£	£
United Kingdom	1,344,813	1,620,922
USA	2,252,473	1,693,816
Europe	110,785	239,917
Rest of World	230,953	385,456
	<u>3,939,024</u>	<u>3,940,111</u>

Analysis of turnover by category:

	2021	2020
	£	£
Licence & royalty income	3,939,024	3,939,611
Other income	-	500
	<u>3,939,024</u>	<u>3,940,111</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021 (CONTINUED)

6. OPERATING PROFIT/(LOSS)

	2021 £	2020 £
Operating (loss)/profit is after charging/(crediting):		
Wages and salaries	3,404,319	3,350,243
Social security costs	335,650	328,513
Other pension costs	701,079	665,769
Net accrued annual leave costs	6,262	34,880
USS pension deficit costs/(income)	(31,596)	(731,365)
Staff costs	4,415,714	3,648,040
Depreciation charge for the year	32,717	76,945
Amortisation charge for the year	96,755	96,403
Operating lease charges	2,781	3,379
Audit fees payable to the Company's auditor	15,950	14,750

7. EMPLOYEES AND DIRECTORS

Employees

The average monthly numbers of persons (including executive directors) employed by the Company during the year was:

	2021 No	2020 No
Licencing	17	17
Consultancy	8	6
Seed Funds	6	7
Support and Administrative Staff	27	28
Management Team	9	10
Total	67	68

Directors

The emoluments of the highest paid director were as follows:

	2021 £	2020 £
Aggregate emoluments	186,919	186,919
Company contributions to defined benefit pension scheme	39,440	38,941
	<u>226,359</u>	<u>225,860</u>

The emoluments of all of the directors were as follows:

	2021 £	2020 £
Aggregate emoluments	288,476	287,476
Company contributions to defined benefit pension scheme	60,657	59,890
	<u>349,133</u>	<u>347,366</u>

Post-employment benefits are accruing for two directors (2020: 2) under a multi-employer pension scheme. No directors (2020: none) were members of the group pension scheme.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021 (CONTINUED)

8. NET INTEREST INCOME

Interest receivable and similar income

	2021	2020
	£	£
Bank interest	-	50,942
Total interest receivable and similar income	-	50,942

Interest payable and similar expenses

	2021	2020
	£	£
Unwinding of discount rate for USS deficit recovery	(8,591)	(30,084)
Total interest payable and similar charges	(8,591)	(30,084)

Net interest income

	2021	2020
	£	£
Interest receivable and similar income	-	50,942
Interest payable and similar charges	(8,591)	(30,084)
Net interest income	(8,591)	20,858

9. TAX ON PROFIT/(LOSS)

Tax expense included in profit or loss

	2021	2020
	£	£
<i>Current tax:</i>		
UK corporation tax on profits for the year	-	-
Total current tax	-	-
<i>Deferred tax:</i>		
Origination and reversal of timing difference	-	-
Total deferred tax	-	-
Tax on profit	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021 (CONTINUED)

9. TAX ON PROFIT (CONTINUED)

Reconciliation of tax charge

Tax assessed for the year is at the standard rate of corporation tax in the UK for the year ended 31 July 2021 of 19% (2020: 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before taxation	28,669,747	(292,049)
Profit multiplied by the standard rate of tax % (2020: 19%)	5,447,252	(55,489)
Effects of:		
- Expenses not tax deductible	(867)	(89,118)
- Income not subject to tax	(1,770)	(5,024)
- Partnership losses from share of joint venture	-	(149,865)
- Accelerated capital allowances	(19,682)	(31,913)
- Revaluation of investments	(5,649,940)	16,977
- Taxable deductible losses	225,007	314,432
Total tax charge for the year	-	-

10. INTANGIBLE ASSETS

	Software £	Construction in progress £	Total £
Cost			
At 1 August 2020	481,660	-	481,660
Additions	-	13,177	13,177
At 31 July 2021	481,660	13,177	494,837
Accumulated amortisation			
At 1 August 2020	144,252	-	144,252
Charge for the year	96,755	-	96,755
At 31 July 2021	241,007	-	241,007
Net book value at 31 July 2021	240,653	13,177	253,830
Net book value at 31 July 2020	337,409	-	337,409

The construction in progress asset is a virtual purchase invoice approval process, to go live in September 2021. The asset will be amortised over a period of five years on a straight line basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021 (CONTINUED)

11. TANGIBLE ASSETS

	Furniture and equipment £	Computer equipment £	Total £
Cost			
At 1 August 2020	117,691	258,352	376,043
Additions	-	20,383	20,383
Transfer of asset	-	(1,049)	(1,049)
Disposals	-	(48,056)	(48,056)
At 31 July 2021	117,691	229,630	347,321
Accumulated depreciation			
At 1 August 2020	111,516	219,790	331,306
Charge for the year	5,691	27,026	32,717
Disposals	-	(48,056)	(48,056)
At 31 July 2021	117,207	198,760	315,967
Net book value at 31 July 2021	484	30,870	31,354
Net book value at 31 July 2020	6,175	38,562	44,737

12. INVESTMENTS

	2021 £	2020 £
As at 1 August	27,182,870	26,584,458
Additions	5,382,793	687,773
Disposals (cost)	(16,387)	(7)
Disposals (valuation)	(5,014,773)	-
Revaluations	29,736,526	(89,354)
As at 31 July	57,271,029	27,182,870

Fixed asset investments comprise of wholly owned subsidiaries Cambridge University Technical Services Limited and Cambridge Enterprise Capital Limited and shares in sixty five investments, three of which are publicly traded. The company part disposed of twelve investments in the year. Income from fixed asset investments recognised in the profit and loss account during the year totaled £157,332, £148,014 for disposal of investments and £9,318 for dividends received.

Subsidiaries:

	2021 £	2020 £
Cambridge University Technical Services Limited	1	1
Cambridge Enterprise Capital Limited	1	1
	2	2

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021 (CONTINUED)

12. INVESTMENTS (CONTINUED)

Cambridge University Technical Services Limited

The Company owns 100% of the equity share capital of Cambridge University Technical Services Limited. Cambridge University Technical Services Limited is incorporated in the UK. The registered office address for Cambridge Technical Services Limited is The Old Schools, Trinity Lane, Cambridge, CB2 1TN. The Company received no dividend from Cambridge University Technical Services Limited in the year (2020: nil). The result for the year for Cambridge University Technical Services Limited was a profit of £362,944 (2020: £502,140). The year end share capital was £1 (2020: £1) and reserves position was net assets of £1,262 (2020: £1,262).

Cambridge Enterprise Capital Limited

The Company owns 100% of the equity share capital of Cambridge Enterprise Capital Limited. Cambridge Enterprise Capital Limited is incorporated in the UK. The registered office address for Cambridge Enterprise Capital Limited is The Entrepreneurship Centre, Hauser Forum, 3 Charles Babbage Road, Cambridge, CB3 0GT. The Company received no dividend from Cambridge Enterprise Capital Limited in the year (2020: nil). Cambridge Enterprise Capital Limited is a dormant company therefore no results were recorded for the year (2020: £nil). The year end share capital was £1 (2020: £1) and reserves position was £nil (2020: £nil).

Associates:

Apollo Therapeutics LLP

In the year Apollo Therapeutics LLP received additional funding from an investor outside of the partnership and Apollo Therapeutics LLP was assimilated into AT Topco Limited. The Cambridge Enterprise investment in the Apollo Therapeutics LLP was replaced by the shareholding in AT Topco Limited.

	2021	2020
	£	£
Apollo Therapeutics LLP	Nil	2,382,826
	Nil	2,382,826

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021 (CONTINUED)

12. INVESTMENTS (CONTINUED)

	Carrying value 2021 £	Carrying value 2020 £
8Power Limited	3,600	2,340
Accelerator Advisory Limited	Nil	1
Apcintex Limited	Disposed	982,536
AQdot Limited	180,159	202,219
ArcticAX inc	48,385	48,385
Arquer Diagnostics Limited	46,188	51,962
AT Topco Limited	3,552,500	None
Bluecat IP Limited	45	None
Cambridge Allergy Limited	382,375	382,375
Cambridge EpiGenetix Limited	1,905,272	3,758,033
Cambridge Flow Solutions Limited	1,705,458	203,422
Cambridge GAN Devices Limited	344,088	214,200
Cambridge Graphene Limited	3	3
Cambridge InnoVision Limited	5	5
Cambridge Raman Imaging Limited	90,101	1
CamFridge Limited	Nil	Nil
CamGraphic Limited	499,995	None
CEDAR Audio Limited	1,265,033	99,012
CellCentric Limited	73,710	44,793
Centessa Pharmaceuticals plc	24,400,375	None
Chroma Therapeutics Limited	172	172
Deepmatter Group plc	362	486
Definigen Limited	550,800	550,800
De Novo Pharmaceuticals Limited	Nil	Nil
Diagnostics for the Real World Limited	9,982,021	4,429,497
Diosynvax Limited	597,880	597,880
Eight19 Limited	428	13,904
Energy Fluids Limited	Disposed	3
Enval Limited	17,668	17,668
Exvastat Limited	104,063	40,500
Epsilon-3 Bio limited	Disposed	Nil
Fibrecore Developments Limited	1	1
Flusso Limited	218,000	236,957
Gas Recovery and Recycle Limited	Nil	Nil
GKMH Limited	3	None
Graphene Platform Corporation	Disposed	376,078
Gyroscope Therapeutics Limited	577,077	630,000
Graphion Cambridge Technology Limited	Disposed	Nil
Helio Display Materials Limited	269,609	236,250
Hexagonfab Limited	125,020	None
iLexIR Limited	2,072,587	20,396
Immaterial Limited	77,112	51,240
Inotec AMD Limited	1,219	746
InputDynamics Limited	Nil	Nil
Kalium Health Limited	113,600	113,600
Light Blue Optics limited	Disposed	Nil
Lucida Medical Limited	149,310	None

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021 (CONTINUED)

12. INVESTMENTS (CONTINUED)

	Carrying value 2021 £	Carrying value 2020 £
Metalysis Limited	Disposed	Nil
Microbial Technics Limited	Nil	Nil
Mission Therapeutics Limited	187,646	187,646
Morphogenix Limited	Disposed	1,862,688
Neophore Limited	19,350	63,261
Myosotis LLC	Disposed	Nil
NoBacz Healthcare Limited	78,810	None
Nu Quantum Limited	204,666	None
Paragraf Limited	227,400	227,400
Phoremot Limited	Disposed	290,652
Polypharmakos Limited	Nil	Nil
Polyprox Therapeutics Limited	713,340	577,805
PredictImmune Limited	2,425,721	2,695,245
Proteotype Diagnostics Limited	1	None
Regulatory Genome Development Limited	375,563	None
RMS Realisations Limited	Nil	543,600
SDS Therapeutics Limited	979,413	None
Semarion Limited	5	None
Silicon Microgravity Limited	Nil	369,600
SMAP Energy Limited	Disposed	24,500
Sphere Fluidics Limited	2,206,186	2,451,317
Spliceor Limited	Nil	None
Storm Therapeutics Limited	365,085	328,577
Tarsis Technology Limited	12	12
TeraView Limited	Nil	Nil
Transition Bio inc	128,700	None
The CRISP Consortium Limited	Disposed	Nil
Water Intelligence plc	4,899	1,493
Z Factor Limited	Disposed	1,870,781
Zygosity Limited	6	None
	<hr/> 57,271,027	<hr/> 24,800,042

Nil: investment valued at nil in the year;

None: investment did not exist in the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021 (CONTINUED)

13. DEBTORS

	2021 £	2020 £
Trade debtors	1,034,319	451,907
Amounts owed by group undertakings	1,494,553	2,374,669
Other debtors	46,605	68,995
Prepayments	34,585	60,830
Accrued income	211,479	720,187
VAT repayment	26,953	-
	<u>2,848,494</u>	<u>3,676,588</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of payment and are payable on demand. Trade debtors are stated after provisions for impairment of £nil (2020: £nil).

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	471,384	270,563
Amounts owed by group undertakings	556,447	799,261
Other creditors	464,833	354,138
Accrued holiday pay	159,959	153,697
Accruals and deferred income	4,062,222	3,864,354
	<u>5,714,845</u>	<u>5,442,013</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of payment and are payable on demand.

Annual holiday pay accrual is the provision for holiday accrued but unused as at 31 July 2021 less holiday taken in advance of being accrued, for all employees. The holiday year for the Company runs from 1 October 2020 to 30 September 2021.

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021 £	2020 £
Amounts falling due after more than five years		
Provision for pension deficit recovery payments	<u>1,144,298</u>	<u>1,167,303</u>
	<u>1,144,298</u>	<u>1,167,303</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021 (CONTINUED)

16. POST EMPLOYMENT BENEFITS

The company operates two pension schemes for its employees. The amount recognised in the Balance Sheet is as follows:

		2021 £	2020 £
Group scheme liability (CPS)	(a)	Nil	Nil
Multi-employer scheme liability (USS)	(b)	1,144,298	1,167,303
		<u>1,144,298</u>	<u>1,167,303</u>

The amount recognised in the profit and loss account is as follows:

		2021 £	2020 £
Group Scheme liability (CPS)	(a)	132,015	153,264
Multi-employer scheme liability (USS)	(b)	553,122	(188,776)
		<u>685,137</u>	<u>(35,512)</u>

The multi-employer scheme liability (USS) is in respect of the USS deficit recovery plan. The movements in the year are as follows:

	2021 £	2020 £
Balance as at 1 August	1,167,303	1,868,585
Contributions	(55,397)	(44,075)
Interest on liability (note 8)	8,591	30,084
Change in underlying assumptions	23,801	(687,291)
Balance as at 31 July	<u>1,144,298</u>	<u>1,167,303</u>

At 31 July 2021, the latest available complete actuarial valuation of the USS Retirement Income Builder was at 31 March 2018 (the valuation date, which was carried out using the projected unit method. A valuation as at 31 March 2020 was signed and filed with The Pensions Regulator with an effective date of 1 October 2021. As the new valuation was not in place at the financial year end, any adjustment in the deficit provision will be reflected in the financial statements for the year ended 31 July 2022.

Since the Company cannot identify its share of the USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The 2018 valuation was the fifth valuation for scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £63.7 billion and the value of the scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion and a funding ratio of 95%.

The key financial assumptions used in the 2018 valuations are described below. More detail is set out in the Statement of Funding Principles.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021 (CONTINUED)

16. POST EMPLOYMENT BENEFITS (CONTINUED)

The key financial assumptions used in the 2018 valuations are described below. More detail is set out in the Statement of Funding Principles.

Pension increases (CPI)	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.
Discount rate (forward rates)	Years 1-10: CPI + 0.14% reducing linearly CPI – 0.73% Years 11-20: CPI + 2.52% reducing linearly to CPI + 1.55% by year 21 Years 21 +: CPI + 1.55%

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the Scheme's experience carried out as part of the 2018 actuarial valuation. The mortality assumptions used in these figures are as follows:

Mortality base table	2018 valuation
	<u>Pre-retirement:</u> 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females.
	<u>Post retirement:</u> 97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females.
Future improvements to mortality	CMI_2017 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females.

The current life expectancies on retirement at age 65 are:

	2021 Valuation	2020 Valuation
Males currently aged 65 (years)	24.6	24.4
Females currently aged 65 (years)	26.1	25.9
Males currently aged 45 (years)	26.6	26.3
Females currently aged 45 (years)	27.9	27.7

A new deficit recovery plan was put in place as part of the 2018 valuation, which requires payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 at which point the rate will increase to 6%. The 2021 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2021	2020
Discount rate	0.89%	0.74%
Pensionable salary growth	1.00%	1.50%

17. RELATED PARTY TRANSACTIONS

No related party transactions to report in the financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021 (CONTINUED)

18. CALLED UP SHARE CAPITAL

Ordinary shares of £1 each

	2021	2020
	£	£
Allotted and in issue		
At 1 August	3,333,335	3,333,335
Issued during the year		-
At 31 July	3,333,335	3,333,335

There is a single class of ordinary share. There are no restrictions on the distribution of dividends and the repayment of capital.

19. CAPITAL AND OTHER COMMITMENTS

At 31 July 2021, the Company has the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2021	2020
	£	£
Lease payments not later than one year	2,846	2,781
Lease payments later than one year and not later than five years	6,628	5,275
Lease payments later than five years	221	Nil

The Company had no off balance sheet contingencies or other commitments at 31 July 2021 (2020: £nil).

20. CONTROLLING PARTIES

The immediate parent undertaking is the University of Cambridge.

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is the University of Cambridge. Copies of the University of Cambridge consolidated financial statements can be obtained from the Company Secretary at The Old Schools, Trinity Lane, Cambridge, Cambridgeshire, CB2 1TN. The ultimate controlling party is the University of Cambridge.

21. POST BALANCE SHEET EVENT

Since the year end, following the completion of the 2020 actuarial valuation, a new deficit recovery plan has been agreed in respect of the USS pension scheme. A new Schedule of Contributions based on the 2020 actuarial valuation has been agreed, and become effective, post year end. This results in an increase of £1,747,976 in the provision for the obligation to fund the deficit on the USS pension which would instead be £2,892,274. As the Schedule of Contributions was not in place at the financial year end this adjustment will be reflected in the Financial Statements for the year ended 31 July 2022. If the Joint Negotiating Committee (JNC) recommended deed on benefit changes has not been executed by 28 February 2022 then a different schedule of contributions would become applicable. If this were to happen then there would be an increase of £3,741,525 in the provision for the obligation to fund the deficit on the USS pension which would instead be £4,885,823.