

## Section B: Summary of consolidation and segmental analysis

The following analysis presents a summary of the elements of the University group as they contribute to the consolidated financial statements. The columns shown below are:

<b>Academic</b>	This equates to the part of the University covered in section A. It includes the academic departments and services but excludes Cambridge Assessment, Cambridge University Press, and the Cambridge Trusts.
<b>Assessment</b>	This consists of the Local Examinations Syndicate and subsidiary undertakings, collectively known as Cambridge Assessment.
<b>Press</b>	This consists of the Cambridge University Press Syndicate and subsidiary undertakings.
<b>Trusts</b>	This consists principally of the Gates Cambridge Trust and the Cambridge Commonwealth, European and International Trust.
<b>CPS</b>	This column deals with the adjustments required to account for the pension liability in relation to the Cambridge University Assistants Contributory Pension Scheme, which affects both "Academic" and "Assessment".
<b>Elimination</b>	This column deals with the elimination of internal transactions. It includes the reclassification of balances on funds contributed by "Assessment" and "Press" to "Academic". These are shown in "Academic" as specific endowments and as deferred capital grants, but in the combined group are included as reserves.
<b>Total</b>	This is the total of the other six columns and is presented in the audited financial statements for the University group.

Subsidiary undertakings included in the respective columns:

<b>Academic</b>	<ul style="list-style-type: none"> <li>Cambridge Enterprise Limited</li> <li>Cambridge Investment Limited</li> <li>Cambridge Investment Management Limited</li> <li>Cambridge Institute for Sustainability Leadership (Australia)</li> <li>Cambridge Programme for Sustainability Leadership (South Africa)</li> <li>Cambridge University Technical Services Limited</li> <li>Cambridge Centre for Advanced Research in Energy Efficiency in Singapore</li> <li>The Dennis S Avery and Sally Tsui Wong-Avery Endowment Trust</li> <li>Fitzwilliam Museum (Enterprises) Limited</li> <li>IfM Education and Consultancy Services Limited</li> <li>JBS Executive Education Limited</li> <li>Lynxvale Limited</li> <li>University of Cambridge Dental Practice Limited</li> <li>UTS Cambridge</li> </ul>
<b>Trusts</b>	<ul style="list-style-type: none"> <li>Gates Cambridge Trust</li> <li>Cambridge Commonwealth, European and International Trust</li> <li>Malaysian Commonwealth Studies Centre in Cambridge</li> </ul>
<b>Assessment</b>	<ul style="list-style-type: none"> <li>Cambridge Assessment Overseas Limited</li> <li>Cambridge Assessment Singapore</li> <li>Cambridge Avaliacao Representacao e Promocao Ltda</li> <li>Cambridge Boxhill Language Pty Limited</li> <li>Cambridge English (Aus)</li> <li>Cambridge ESOL Inc</li> <li>Fundacion UCLES</li> <li>Oxford and Cambridge International Assessment Services Limited</li> <li>Oxford Cambridge and RSA Examinations</li> </ul>
<b>Press</b>	<ul style="list-style-type: none"> <li>Academic Journal Publishing Pty Limited</li> <li>Australian Academic Press Pty Group Limited</li> <li>Cambridge Knowledge (China) Limited</li> <li>Cambridge Printing Services Limited</li> <li>Cambridge University Press (Greece) EPE</li> <li>Cambridge University Press (Holdings) Limited</li> <li>Cambridge University Press India (Private) Limited</li> <li>Cambridge University Press Japan KK</li> <li>Cambridge University Press Panama SA</li> <li>Cambridge University Press South Africa (Proprietary) Limited</li> <li>Cambridge Hitachi-Solutions Education Limited</li> <li>Editorial Edicambridge Cia Ltda</li> <li>Digital Services Cambridge Limited</li> <li>ELT Trading Limited</li> <li>Foundation e-Learning (Private) Limited</li> <li>HOTmaths Pty Limited</li> <li>United Publishers Services Limited</li> </ul>

**CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT for the year ended 31 July 2014**

	Academic £m	Assessment £m	Press £m	Trusts £m	CPS £m	Elimination £m	Total £m
<b>Income</b>							
Funding body grants	178.6	–	–	–	–	–	178.6
Academic fees and support grants	207.5	–	–	–	–	–	207.5
Research grants and contracts	371.2	–	–	–	–	–	371.2
Examination and assessment services	–	341.2	–	–	–	–	341.2
Publishing services	–	–	257.7	–	–	–	257.7
Other income	135.3	1.9	6.9	7.4	–	(27.8)	123.7
Endowment and investment income	69.8	7.8	0.5	12.1	–	(65.6)	24.6
<b>Total income</b>	<b>962.4</b>	<b>350.9</b>	<b>265.1</b>	<b>19.5</b>	<b>–</b>	<b>(93.4)</b>	<b>1,504.5</b>
<b>Expenditure</b>							
Staff costs	482.9	91.2	82.7	1.3	(7.9)	–	650.2
Other operating expenses	384.0	204.9	170.1	24.9	–	(27.5)	756.4
Depreciation	64.8	16.7	6.8	0.1	–	–	88.4
Interest payable	13.1	–	1.4	–	1.2	–	15.7
<b>Total expenditure</b>	<b>944.8</b>	<b>312.8</b>	<b>261.0</b>	<b>26.3</b>	<b>(6.7)</b>	<b>(27.5)</b>	<b>1,510.7</b>
<b>Surplus / (deficit) on continuing operations</b>	<b>17.6</b>	<b>38.1</b>	<b>4.1</b>	<b>(6.8)</b>	<b>6.7</b>	<b>(65.9)</b>	<b>(6.2)</b>
<b>Minority interests in results of subsidiary undertakings</b>	<b>–</b>	<b>(0.2)</b>	<b>(0.1)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(0.3)</b>
<b>Surplus / (deficit) after minority interest</b>	<b>17.6</b>	<b>37.9</b>	<b>4.0</b>	<b>(6.8)</b>	<b>6.7</b>	<b>(65.9)</b>	<b>(6.5)</b>
<b>Transfer from specific endowments</b>	<b>7.2</b>	<b>–</b>	<b>–</b>	<b>7.1</b>	<b>–</b>	<b>35.9</b>	<b>50.2</b>
<b>Surplus for the year retained within general reserves</b>	<b>24.8</b>	<b>37.9</b>	<b>4.0</b>	<b>0.3</b>	<b>6.7</b>	<b>(30.0)</b>	<b>43.7</b>
<b>Expenditure by activity</b>							
Academic departments	281.5	–	–	–	–	–	281.5
Academic services	43.1	–	–	–	–	–	43.1
Payments to colleges	44.9	–	–	–	–	–	44.9
Research grants and contracts	317.7	–	–	–	–	–	317.7
Other activities total	52.7	312.8	261.0	–	–	(20.6)	605.9
Administration and central services total	96.4	–	–	26.3	–	(6.9)	115.8
Premises	95.4	–	–	–	–	–	95.4
Interest payable on bond liabilities	13.1	–	–	–	–	–	13.1
Pension cost adjustments for CPS (see note 29)	–	–	–	–	(6.7)	–	(6.7)
<b>Total expenditure</b>	<b>944.8</b>	<b>312.8</b>	<b>261.0</b>	<b>26.3</b>	<b>(6.7)</b>	<b>(27.5)</b>	<b>1,510.7</b>
<b>Segmental reporting: external income</b>							
Education and research	962.4	–	–	19.5	–	(93.4)	888.5
Assessment	–	350.9	–	–	–	–	350.9
Press	–	–	265.1	–	–	–	265.1
<b>Total</b>	<b>962.4</b>	<b>350.9</b>	<b>265.1</b>	<b>19.5</b>	<b>–</b>	<b>(93.4)</b>	<b>1,504.5</b>
<b>Segmental reporting: surplus / (deficit) before minority interest</b>							
Education and research	17.6	–	–	(6.8)	–	(65.9)	(55.1)
Assessment	–	38.1	–	–	–	–	38.1
Press	–	–	4.1	–	–	–	4.1
Unallocated re Contributory Pension Scheme	–	–	–	–	6.7	–	6.7
<b>Total</b>	<b>17.6</b>	<b>38.1</b>	<b>4.1</b>	<b>(6.8)</b>	<b>6.7</b>	<b>(65.9)</b>	<b>(6.2)</b>

## STATEMENT OF TOTAL RECOGNIZED GAINS AND LOSSES for the year ended 31 July 2014

	Academic £m	Assessment £m	Press £m	Trusts £m	CPS £m	Elimination £m	Total £m
Surplus / (deficit) on income and expenditure account	17.6	37.9	4.0	(6.8)	6.7	(65.9)	(6.5)
Valuation gains on investments							
Endowments	30.1	0.1	–	6.2	–	34.7	71.1
Reserves	27.6	5.6	–	3.8	–	30.9	67.9
New endowment capital	24.0	–	–	6.7	–	–	30.7
Loss arising on foreign currency translation	–	(0.1)	(8.7)	–	–	–	(8.8)
Actuarial loss	–	–	(7.8)	–	(54.1)	–	(61.9)
<b>Total recognized gains / (losses) relating to the year</b>	<b>99.3</b>	<b>43.5</b>	<b>(12.5)</b>	<b>9.9</b>	<b>(47.4)</b>	<b>(0.3)</b>	<b>92.5</b>
<b>Total gains / (losses) since the last annual report</b>	<b>99.3</b>	<b>43.5</b>	<b>(12.5)</b>	<b>9.9</b>	<b>(47.4)</b>	<b>(0.3)</b>	<b>92.5</b>
<b>Reconciliation</b>							
Opening reserves and endowments	2,104.3	356.4	42.5	335.5	(291.1)	12.9	2,560.5
Total gains / (losses) since the last annual report	99.3	43.5	(12.5)	9.9	(47.4)	(0.3)	92.5
Closing reserves and endowments (excluding minority interests)	2,203.6	399.9	30.0	345.4	(338.5)	12.6	2,653.0

## SUMMARY OF ELIMINATIONS

Income and expenditure	Income £m	Expenditure £m	Surplus £m
Transfer from Assessment to Chest	(15.9)	(15.9)	–
CUEF distribution from capital	(65.6)	–	(65.6)
Chest funding for Trusts	(6.9)	(6.9)	–
Deferred grant release on Press-funded buildings	(0.3)	–	(0.3)
Services provided by an academic department to Assessment	(2.6)	(2.6)	–
Transfer from Press to Chest	(2.1)	(2.1)	–
	<b>(93.4)</b>	<b>(27.5)</b>	<b>(65.9)</b>

Balance sheet: assets and liabilities	Fixed assets £m	Endowment assets £m	Current assets £m	Current liabilities £m	Net assets £m
Special Funds reclassified as reserves as contributed by:					
Press	15.1	(15.3)	0.2		–
Assessment (RCEAL)	10.6	(11.2)	0.6		–
Transfer from Assessment to Chest accrued at 31 July 2014			(15.9)	15.9	–
Transfer from Press to Chest accrued at 31 July 2014			(2.1)	2.1	–
Other inter-segment balances			(6.6)	6.6	–
Investments held on behalf of associated bodies:					–
University Endowment Fund			(539.9)	539.9	–
Deposit Fund			(66.2)	66.2	–
Cambridge Assessment contribution to Data Centre construction costs	(4.5)				(4.5)
	<b>21.2</b>	<b>(26.5)</b>	<b>(629.9)</b>	<b>630.7</b>	<b>(4.5)</b>

Balance sheet: funds	Deferred grants £m	Expendable endowments £m	Reserves £m	Total £m
Special Funds reclassified as reserves as contributed by:				
Press	–	(15.3)	15.3	–
Assessment (RCEAL)	–	(11.2)	11.2	–
Deferred grant on Press-funded buildings	(12.5)	–	12.5	–
Deferred grant on Assessment-funded building	(4.5)	–	–	(4.5)
	<b>(17.0)</b>	<b>(26.5)</b>	<b>39.0</b>	<b>(4.5)</b>

## BALANCE SHEET AT 31 JULY 2014

	Academic £m	Assessment £m	Press £m	Trusts £m	CPS £m	Elimination £m	Total £m
<b>Fixed assets</b>							
Tangible assets	1,105.7	119.3	51.6	0.2	–	(4.5)	1,272.3
Intangible assets	–	1.0	3.3	–	–	–	4.3
Investments	835.2	214.1	0.2	125.1	–	25.7	1,200.3
	1,940.9	334.4	55.1	125.3	–	21.2	2,476.9
<b>Endowment assets</b>	1,106.4	5.0	–	218.2	–	(26.5)	1,303.1
<b>Current assets</b>							
Stocks and work in progress	2.0	–	51.9	–	–	–	53.9
Debtors	158.1	82.5	78.6	1.3	–	(24.6)	295.9
Investments							
University	237.8	67.5	–	1.4	–	0.8	307.5
Held on behalf of others	711.2	–	–	–	–	(606.1)	105.1
Cash at bank and in hand	10.3	8.3	29.5	2.0	–	–	50.1
	1,119.4	158.3	160.0	4.7	–	(629.9)	812.5
<b>Creditors: amounts falling due within one year</b>	(1,080.4)	(97.6)	(81.2)	(2.3)	–	630.7	(630.8)
<b>Net current assets</b>	39.0	60.7	78.8	2.4	–	0.8	181.7
<b>Total assets less current liabilities</b>	3,086.3	400.1	133.9	345.9	–	(4.5)	3,961.7
<b>Creditors: amounts falling due after more than one year</b>	(342.3)	–	(3.5)	(0.5)	–	–	(346.3)
<b>Pension liabilities</b>	–	–	(78.9)	–	(338.5)	–	(417.4)
<b>Other post-retirement benefit liability</b>	–	–	(21.0)	–	–	–	(21.0)
<b>Total net assets</b>	2,744.0	400.1	30.5	345.4	(338.5)	(4.5)	3,177.0
<b>Represented by:</b>							
<b>Deferred capital grants</b>	540.4	–	–	–	–	(17.0)	523.4
<b>Endowments</b>							
Expendable endowments	246.8	5.0	–	217.0	–	(26.5)	442.3
Permanent endowments	859.6	–	–	1.2	–	–	860.8
	1,106.4	5.0	–	218.2	–	(26.5)	1,303.1
<b>Reserves</b>							
General reserves	797.1	350.3	30.0	100.8	(338.5)	33.6	973.3
Operational property revaluation reserve	115.2	–	–	–	–	–	115.2
Fixed asset investment revaluation reserve	184.9	44.6	–	26.4	–	5.4	261.3
	1,097.2	394.9	30.0	127.2	(338.5)	39.0	1,349.8
<b>Minority interest in subsidiary undertakings</b>	–	0.2	0.5	–	–	–	0.7
<b>Total</b>	2,744.0	400.1	30.5	345.4	(338.5)	(4.5)	3,177.0
<b>Segmental reporting: net assets</b>							
Education and research	2,744.0	–	–	345.4	–	(4.5)	3,084.9
Assessment	–	400.1	–	–	–	–	400.1
Press	–	–	30.5	–	–	–	30.5
Unallocated re Contributory Pension Scheme	–	–	–	–	(338.5)	–	(338.5)
<b>Total</b>	2,744.0	400.1	30.5	345.4	(338.5)	(4.5)	3,177.0