

**Section A: (ii) 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:

Academic	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.
Assessment	This consists of the Local Examinations Syndicate and subsidiary undertakings, collectively known as Cambridge Assessment.
Press	This consists of the Cambridge University Press Syndicate and subsidiary undertakings.
Trusts	This consists principally of the Gates Cambridge Trust and four other trusts as listed below. The external balances and non-donation income and expenditure of the Cambridge Foundation are also included for convenience, the bulk of its income and expenditure being excluded as if held as agent.
CPS	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".
Elimination	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.
Total	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:

Academic	Cambridge Enterprise Limited Cambridge Manufacturing Industry Links Limited Cambridge University Environmental Projects Limited Cambridge University Technical Services Limited Challenge Fund Trading Company Limited Cory Enterprises Limited Fitzwilliam Museum Enterprises Limited JBS Executive Education Limited Lynxvale Limited
Trusts	Cambridge Overseas Trust Cambridge Commonwealth Trust Gates Cambridge Trust Cambridge European Trust Malaysian Commonwealth Studies Centre in Cambridge The Cambridge Foundation
Assessment	Cambridge Examinations Inc Mill Wharf Limited Oxford and Cambridge International Assessment Oxford Cambridge and RSA Examinations RSA Examinations Board Sandonian Properties Limited The West Midlands Examinations Board
Press	Cambridge Global Grid for Learning Limited Cambridge Knowledge (China) Limited Cambridge Printing Services Limited Cambridge University Press (Holdings) Limited Cambridge University Press India Private Limited Cambridge University Press Japan KK Cambridge University Press South Africa (Proprietary) Limited Cambridge-Hitachisoft Educational Solutions PLC United Publishers Services Limited

**Section A: (ii) Summary of consolidation and segmental analysis (continued)****CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT for the year ended 31 July 2007**

	Academic £m	Assessment £m	Press £m	Trusts £m	CPS £m	Elimination £m	Total £m
<b>Income</b>							
Funding Council grants	183.2	–	–	–	–	–	183.2
Academic fees and support grants	67.8	–	–	–	–	–	67.8
Research grants and contracts	211.5	–	–	–	–	–	211.5
Examination and assessment services	–	192.7	–	–	–	–	192.7
Publishing and printing services	–	–	162.3	–	–	(9.1)	153.2
Other income	100.7	0.4	0.8	7.7	–	(13.4)	96.2
Endowment and investment income	38.3	4.0	2.0	10.4	(1.1)	–	53.6
<b>Total income</b>	<b>601.5</b>	<b>197.1</b>	<b>165.1</b>	<b>18.1</b>	<b>(1.1)</b>	<b>(22.5)</b>	<b>958.2</b>
<b>Expenditure</b>							
Staff costs	324.6	52.0	54.2	1.1	3.4	–	435.3
Other operating expenses	234.6	127.7	106.9	15.7	–	(23.1)	461.8
Depreciation	39.7	5.7	2.4	0.2	–	–	48.0
Interest payable	–	–	0.5	–	–	–	0.5
<b>Total expenditure</b>	<b>598.9</b>	<b>185.4</b>	<b>164.0</b>	<b>17.0</b>	<b>3.4</b>	<b>(23.1)</b>	<b>945.6</b>
<b>Surplus / (deficit) on continuing operations before exceptional items</b>	<b>2.6</b>	<b>11.7</b>	<b>1.1</b>	<b>1.1</b>	<b>(4.5)</b>	<b>0.6</b>	<b>12.6</b>
<b>Exceptional items: gain on sale of tangible fixed assets</b>	<b>–</b>	<b>2.7</b>	<b>0.3</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>3.0</b>
<b>Surplus on continuing operations after exceptional items</b>	<b>2.6</b>	<b>14.4</b>	<b>1.4</b>	<b>1.1</b>	<b>(4.5)</b>	<b>0.6</b>	<b>15.6</b>
<b>Minority interests in results of subsidiary undertakings</b>	<b>–</b>	<b>–</b>	<b>0.8</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>0.8</b>
<b>Surplus on continuing operations after minority interest</b>	<b>2.6</b>	<b>14.4</b>	<b>2.2</b>	<b>1.1</b>	<b>(4.5)</b>	<b>0.6</b>	<b>16.4</b>
<b>Transfer from / (to) specific endowments</b>	<b>(1.2)</b>	<b>7.4</b>	<b>–</b>	<b>(1.3)</b>	<b>–</b>	<b>–</b>	<b>4.9</b>
<b>Surplus for the year retained within general reserves</b>	<b>1.4</b>	<b>21.8</b>	<b>2.2</b>	<b>(0.2)</b>	<b>(4.5)</b>	<b>0.6</b>	<b>21.3</b>
<b>Expenditure by activity</b>							
Academic departments	186.3	–	–	–	–	–	186.3
Academic services	27.5	–	–	–	–	–	27.5
Payments to colleges	34.7	–	–	–	–	–	34.7
Research grants and contracts	182.1	–	–	–	–	–	182.1
Other activities total	43.4	185.4	162.5	–	–	(18.4)	372.9
Administration and central services total	57.4	–	1.5	17.0	3.4	(4.7)	74.6
Premises	67.5	–	–	–	–	–	67.5
<b>Total expenditure</b>	<b>598.9</b>	<b>185.4</b>	<b>164.0</b>	<b>17.0</b>	<b>3.4</b>	<b>(23.1)</b>	<b>945.6</b>
<b>Segmental reporting: external income</b>							
Education and research	601.5	–	–	18.1	–	(13.4)	606.2
Assessment	–	197.1	–	–	–	–	197.1
Press	–	–	165.1	–	–	(9.1)	156.0
Unallocated re Contributory Pension Scheme	–	–	–	–	(1.1)	–	(1.1)
<b>Total</b>	<b>601.5</b>	<b>197.1</b>	<b>165.1</b>	<b>18.1</b>	<b>(1.1)</b>	<b>(22.5)</b>	<b>958.2</b>
<b>Segmental reporting: surplus</b>							
Education and research	2.6	–	–	1.1	–	0.6	4.3
Assessment	–	14.4	–	–	–	–	14.4
Press	–	–	2.2	–	–	–	2.2
Unallocated re Contributory Pension Scheme	–	–	–	–	(4.5)	–	(4.5)
<b>Total</b>	<b>2.6</b>	<b>14.4</b>	<b>2.2</b>	<b>1.1</b>	<b>(4.5)</b>	<b>0.6</b>	<b>16.4</b>

**Section A: (ii) Summary of consolidation and segmental analysis (continued)****STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

	Academic £m	Assessment £m	Press £m	Trusts £m	CPS £m	Elimination £m	Total £m
Surplus on income and expenditure account	2.6	14.4	2.2	1.1	(4.5)	0.6	16.4
Increase in market value of investments							
Endowments	53.5	1.1	–	14.5	–	(1.6)	67.5
Reserves	18.4	4.5	1.6	10.2	–	1.6	36.3
New endowment capital	35.1	–	–	–	–	(1.0)	34.1
Gain arising on foreign currency translation	–	–	(1.9)	–	–	–	(1.9)
Actuarial gain / (loss)	–	0.6	6.5	–	43.7	–	50.8
Total recognised gains relating to the year	109.6	20.6	8.4	25.8	39.2	(0.4)	203.2
Total gains / (losses) since the last annual report	109.6	20.6	8.4	25.8	39.2	(0.4)	203.2
<b>Reconciliation</b>							
Opening reserves and endowments	1,287.5	156.2	90.2	284.9	(97.8)	14.0	1,735.0
Total gains / (losses) since the last annual report	109.6	20.6	8.4	25.8	39.2	(0.4)	203.2
Closing reserves and endowments (excluding minority interests)	1,397.1	176.8	98.6	310.7	(58.6)	13.6	1,938.2

**SUMMARY OF ELIMINATIONS****Income and expenditure**

	Income £m	Expenditure £m	Surplus £m
Sales from Press to Assessment	(9.1)	(9.1)	–
Transfer from Assessment to Chest	(9.3)	(9.3)	–
Chest funding for Trusts	(3.7)	(3.7)	–
Press addition to Special Fund in University	–	(1.0)	1.0
Deferred grant release on Press-funded buildings	(0.4)	–	(0.4)
	(22.5)	(23.1)	0.6

**Statement of recognised gains and losses**

Surplus as above	0.6
Reduction in new endowment capital re contribution from Press	(1.0)
Net impact on total gain / (loss) for the year	(0.4)

**Balance sheet: assets and liabilities**

	Fixed asset investments £m	Endowment assets £m	Current assets £m	Current liabilities £m	Net assets £m
Special Funds reclassified as reserves as contributed by:					
Press	13.0	(13.0)	–	–	–
Assessment (RCEAL)	9.0	(9.5)	0.5	–	–
Transfer from Assessment to Chest accrued at 31 July 2007	–	–	(9.3)	9.3	–
Other inter-segment balances	–	–	(1.0)	1.0	–
Investments held on behalf of associated bodies:					
University Endowment Fund	–	–	(145.3)	145.3	–
Deposit Fund	–	–	(65.9)	65.9	–
	22.0	(22.5)	(221.0)	221.5	–

**Balance sheet: funds**

	Deferred grants £m	Specific endowments £m	Reserves £m	Total £m
Special Funds reclassified as reserves as contributed by:				
Press	–	(13.0)	13.0	–
Assessment (RCEAL)	–	(9.5)	9.5	–
Deferred grant on Press-funded buildings	(13.6)	–	13.6	–
	(13.6)	(22.5)	36.1	–

**Section A: (ii) Summary of consolidation and segmental analysis (continued)****BALANCE SHEET**

	Academic £m	Assessment £m	Press £m	Trusts £m	CPS £m	Elimination £m	Total £m
<b>Fixed assets</b>							
Tangible assets	878.5	61.2	41.5	1.7	–	–	982.9
Intangible assets	–	–	5.7	–	–	–	5.7
Investments	196.4	69.7	18.0	107.0	–	22.0	413.1
	1,074.9	130.9	65.2	108.7	–	22.0	1,401.7
<b>Endowment assets</b>	720.3	12.3	–	190.7	–	(22.5)	900.8
<b>Current assets</b>							
Stocks and work in progress	1.1	–	46.3	–	–	–	47.4
Debtors	92.9	43.8	41.8	1.3	–	(10.3)	169.5
Investments							
University	194.0	45.5	–	11.4	–	0.5	251.4
Held on behalf of others	16.3	–	–	–	–	(211.2)	5.1
Cash at bank and in hand	4.6	3.5	14.4	1.8	–	–	24.3
	508.9	92.8	102.5	14.5	–	(221.0)	497.7
<b>Creditors: amounts falling due within one year</b>	(420.1)	(57.8)	(47.2)	(3.2)	–	221.5	(306.8)
<b>Net current assets</b>	88.8	35.0	55.3	11.3	–	0.5	190.9
<b>Total assets less current liabilities</b>	1,884.0	178.2	120.5	310.7	–	–	2,493.4
<b>Creditors: amounts falling due after more than one year</b>	–	–	(2.7)	–	–	–	(2.7)
<b>Pension liability</b>	–	(1.4)	(19.3)	–	(58.6)	–	(79.3)
<b>Total net assets</b>	1,884.0	176.8	98.5	310.7	(58.6)	–	2,411.4
<b>Represented by:</b>							
<b>Deferred capital grants</b>	486.9	–	–	–	–	(13.6)	473.3
<b>Endowments</b>							
Specific endowments	712.0	12.3	–	190.7	–	(22.5)	892.5
General endowments	8.3	–	–	–	–	–	8.3
	720.3	12.3	–	190.7	–	(22.5)	900.8
<b>Reserves</b>							
General reserves	449.5	146.2	89.4	84.0	(58.6)	30.4	740.9
Operational property revaluation reserve	157.4	–	–	–	–	–	157.4
Fixed asset investment revaluation reserve	69.9	18.3	9.2	36.0	–	5.7	139.1
	676.8	164.5	98.6	120.0	(58.6)	36.1	1,037.4
<b>Minority interest in subsidiary undertakings</b>	–	–	(0.1)	–	–	–	(0.1)
<b>Total</b>	1,884.0	176.8	98.5	310.7	(58.6)	–	2,411.4
<b>Segmental reporting: net assets</b>							
Education and research	1,884.0	–	–	310.7	–	–	2,194.7
Assessment	–	176.8	–	–	–	–	176.8
Press	–	–	98.5	–	–	–	98.5
Unallocated re Contributory Pension Scheme	–	–	–	–	(58.6)	–	(58.6)
<b>Total</b>	1,884.0	176.8	98.5	310.7	(58.6)	–	2,411.4