

## 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:

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 the Cambridge Commonwealth, European and International Trust.
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 capital contributions, but in the combined group are included as reserves.
Total	This is the total of the other five 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 Sustainability Limited</li> <li>Cambridge Institute for Sustainability Leadership (Australia)</li> <li>Cambridge Institute for Sustainability Leadership (South Africa) NPC</li> <li>Cambridge Institute for Sustainability Leadership (Belgium)</li> <li>Cambridge University Technical Services Limited</li> <li>Cambridge Centre for Advanced Research and Education in Singapore Limited</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>Foundation for Genomics and Population Health</li> <li>UTS Cambridge</li> <li>Portal Estate Management</li> <li>Core Sustainable Heat Management Limited</li> <li>Lodge Property Services Ltd</li> <li>Storeys Field Community Trust</li> <li>Cambridge University International Holdings Ltd</li> <li>Cambridge India Research Foundation</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 Consulting (Beijing) Co. Ltd</li> <li>Cambridge Assessment Inc</li> <li>Cambridge English (Aus)</li> <li>Cambridge Boxhill Language Pty Limited</li> <li>Cambridge Michigan Language Assessment LLC (USA)</li> <li>Cambridge Assessment India Private Limited</li> <li>Cambridge Assessment Pakistan Private Limited</li> <li>Fundacion UCLES</li> <li>Oxford and Cambridge International Assessment Services Limited</li> <li>The West Midlands Examinations Board</li> <li>Oxford Cambridge and RSA Examinations</li> <li>Cambridge ClassServer LLP</li> <li>English Language iTutoring Limited</li> </ul>
<b>Press</b>	<ul style="list-style-type: none"> <li>Academic Journal Publishing Pty Limited</li> <li>Australian Academic Press Pty Limited</li> <li>Cambridge Daigaku Shuppan KK</li> <li>Cambridge Knowledge (China) Limited</li> <li>Cambridge University Press (Greece) MEPE</li> <li>Cambridge University Press (Holdings) Limited</li> <li>Cambridge University Press India Private Limited</li> <li>Cambridge University Press Nigeria Limited</li> <li>Cambridge University Press Operations Limited</li> <li>Cambridge University Press Satış ve Dağıtım Ticaret Limited Şirketi</li> <li>Cambridge University Press Turkey Satış Destek Limited Şirketi</li> <li>Cambridge University Press South Africa Proprietary Limited</li> <li>Cambridge Learning Limited</li> <li>Editorial Edicambridge Cia Ltda</li> <li>Digital Services Cambridge Limited</li> <li>ELT Trading SA de CV</li> <li>HOTmaths Pty Limited</li> <li>United Publishers Services Limited</li> <li>Oncoweb Limited</li> <li>Cambridge-Obeikan Company Limited</li> <li>English Language iTutoring Limited</li> <li>Cambridge ClassServer LLP</li> </ul>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 JULY 2018**

	<b>Academic</b>					
	<b>Group</b>	<b>Assessment</b>	<b>Press</b>	<b>Trusts</b>	<b>Elimination</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Income</b>						
Tuition fees and education contracts	295.1	–	–	–	–	295.1
Funding body grants	173.6	–	–	–	–	173.6
Research grants and contracts	524.9	–	–	–	–	524.9
Examination and assessment services	–	432.5	–	–	–	432.5
Publishing services	–	–	313.0	–	–	313.0
Donations and endowments	55.1	–	–	20.2	(11.5)	63.8
Other income	185.9	7.6	6.1	–	(57.5)	142.1
Investment income	73.8	8.4	1.4	15.3	(79.1)	19.8
<b>Total income</b>	<b>1,308.4</b>	<b>448.5</b>	<b>320.5</b>	<b>35.5</b>	<b>(148.1)</b>	<b>1,964.8</b>
<b>Expenditure</b>						
Staff costs	620.4	123.4	104.5	1.3	–	849.6
Other operating expenses	* 493.4	277.1	197.9	35.8	(70.7)	933.5
Depreciation	* 80.8	9.6	* 4.0	0.1	(0.1)	94.4
Interest and other finance costs	30.0	0.6	3.0	–	–	33.6
<b>Total expenditure</b>	<b>1,224.6</b>	<b>410.7</b>	<b>309.4</b>	<b>37.2</b>	<b>(70.8)</b>	<b>1,911.1</b>
<b>Surplus before other gains and losses</b>	<b>83.8</b>	<b>37.8</b>	<b>11.1</b>	<b>(1.7)</b>	<b>(77.3)</b>	<b>53.7</b>
Gain on investments	96.9	14.2	2.6	26.2	79.1	219.0
<b>Surplus before tax</b>	<b>180.7</b>	<b>52.0</b>	<b>13.7</b>	<b>24.5</b>	<b>1.8</b>	<b>272.7</b>
Taxation	(1.2)	(0.5)	(1.4)	–	–	(3.1)
<b>Surplus for the year</b>	<b>179.5</b>	<b>51.5</b>	<b>12.3</b>	<b>24.5</b>	<b>1.8</b>	<b>269.6</b>
Actuarial loss	99.1	–	23.4	–	–	122.5
Gain / (loss) arising on foreign currency translation	–	(0.1)	(2.8)	–	–	(2.9)
Profit on acquisition of Foundation	1.6	–	–	–	–	1.6
<b>Total comprehensive income for the year</b>	<b>280.2</b>	<b>51.4</b>	<b>32.9</b>	<b>24.5</b>	<b>1.8</b>	<b>390.8</b>
<b>Represented by:</b>						
Endowment comprehensive income for the year	114.5	0.3	–	15.1	(2.1)	127.8
Restricted comprehensive income for the year	74.3	–	–	–	–	74.3
Unrestricted comprehensive income for the year	91.4	51.1	32.9	9.4	3.9	188.7
	<b>280.2</b>	<b>51.4</b>	<b>* 32.9</b>	<b>24.5</b>	<b>1.8</b>	<b>390.8</b>

**Note:**

Figures marked \* on this page and the next reflect adjustments where group accounting policies differ from those adopted by the individual segments:

- Software assets are included in fixed assets in the Academic University accounts, but in intangible assets in the group financial statements. Amortisation of intangible assets is included in other operating expenses.
- The UK operational properties of the Press are carried in the group financial statements on the same basis as those of the Academic University and Cambridge Assessment reflecting the 1 August 2014 valuation. An uplift has therefore been applied to the book values in the Press' own accounts, which has affected the depreciation charge.

**Eliminations: income and expenditure**

	<b>Income</b>	<b>Expenditure</b>	<b>Investment</b>
	<b>£m</b>	<b>£m</b>	<b>gain</b>
			<b>£m</b>
Transfer from Assessment to Academic University based on Assessment's results	(25.9)	(25.9)	–
Asset transfer from Assessment to Academic University	(24.4)	(24.4)	–
Part repayment of data centre donation from Assessment by University	0.2	–	–
Other Intercompany sales and purchases	(2.5)	(4.3)	–
Transfer from Press to Academic University based on Press's results	(4.6)	(3.9)	–
Grants and donations from Academic University to Cambridge Trust	(11.8)	(11.8)	–
University fee element of movement in accrued scholar payments	–	(0.4)	–
CUEF distribution from capital	(79.1)	–	79.1
Depreciation on asset included in Academic University and Assessment	–	(0.1)	–
	<b>(148.1)</b>	<b>(70.8)</b>	<b>79.1</b>

## CONSOLIDATED BALANCE SHEET AS AT 31 JULY 2018

	Academic Group £m	Assessment £m	Press £m	Trusts £m	Elimination £m	Total £m
<b>Non-current assets</b>						
Intangible assets and goodwill	–	32.1	31.4	–	–	63.5
Fixed assets	* 2,212.6	295.8	* 67.6	0.1	(16.8)	2,559.3
Heritage assets	70.6	–	–	–	–	70.6
Investments - other investments	2,144.4	257.2	46.3	464.0	–	2,911.9
Investments - investment properties	501.4	–	–	–	–	501.4
	<u>4,929.0</u>	<u>585.1</u>	<u>145.3</u>	<u>464.1</u>	<u>(16.8)</u>	<u>6,106.7</u>
<b>Current assets</b>						
Stocks and work in progress	1.5	–	45.9	–	–	47.4
Trade and other receivables	225.2	112.1	114.9	0.9	(34.9)	418.2
Investments	1,253.2	58.9	–	1.7	(814.9)	498.9
Cash and cash equivalents	812.4	25.1	28.4	10.4	(7.0)	869.3
	<u>2,292.3</u>	<u>196.1</u>	<u>189.2</u>	<u>13.0</u>	<u>(856.8)</u>	<u>1,833.8</u>
<b>Creditors: amounts falling due within one year</b>	<u>(1,717.6)</u>	<u>(110.8)</u>	<u>(120.6)</u>	<u>(20.8)</u>	<u>873.0</u>	<u>(1,096.8)</u>
<b>Net current assets</b>	<u>574.7</u>	<u>85.3</u>	<u>68.6</u>	<u>(7.8)</u>	<u>16.2</u>	<u>737.0</u>
<b>Total assets less current liabilities</b>	<u>5,503.7</u>	<u>670.4</u>	<u>213.9</u>	<u>456.3</u>	<u>(0.6)</u>	<u>6,843.7</u>
<b>Creditors: amounts falling due after more than one year</b>	<u>(937.1)</u>	<u>(3.5)</u>	<u>–</u>	<u>(11.3)</u>	<u>2.3</u>	<u>(949.6)</u>
<b>Pension liabilities</b>	<u>(541.1)</u>	<u>(20.6)</u>	<u>(73.4)</u>	<u>–</u>	<u>–</u>	<u>(635.1)</u>
<b>Other retirement benefits liabilities</b>	<u>–</u>	<u>–</u>	<u>(21.6)</u>	<u>–</u>	<u>–</u>	<u>(21.6)</u>
<b>Total net assets</b>	<u>4,025.5</u>	<u>646.3</u>	<u>118.9</u>	<u>445.0</u>	<u>1.7</u>	<u>5,237.4</u>
<b>Restricted reserves</b>						
Income and expenditure reserve - endowment	1,595.1	6.5	–	290.7	(36.6)	1,855.7
Income and expenditure reserve - restricted	97.0	–	–	0.9	–	97.9
<b>Unrestricted reserves</b>						
Income and expenditure reserve - unrestricted	2,333.4	639.8	* 118.9	153.4	38.3	3,283.8
<b>Total reserves</b>	<u>4,025.5</u>	<u>646.3</u>	<u>* 118.9</u>	<u>445.0</u>	<u>1.7</u>	<u>5,237.4</u>
<b>Movement in net assets</b>						
Net assets at 1 August 2017	3,745.3	595.4	86.0	420.5	(0.1)	4,847.1
Comprehensive income for the year ended 31 July 2018	280.2	51.4	32.9	24.5	1.8	390.8
Dividend paid to non-controlling interest	–	(0.5)	–	–	–	(0.5)
Net assets at 31 July 2018 as above	<u>4,025.5</u>	<u>646.3</u>	<u>118.9</u>	<u>445.0</u>	<u>1.7</u>	<u>5,237.4</u>

**Eliminations: balance sheet****Fixed assets**

Surplus recognised in Press on disposal of Edinburgh Building to Assessment	(12.8)
Part of Data Centre building included in Academic and Assessment	(4.0)
	<u>(16.8)</u>

**Current assets**

	Receivables	Investments	Cash equivalents	Total
Transfer from Assessment to Academic based on Assessment results	(25.9)	–	–	(25.9)
Transfer from Press to Academic based on Press results	(5.8)	–	–	(5.8)
Other inter-segment balances	(3.2)	–	–	(3.2)
Investments held on behalf of associated bodies	–	(814.9)	(7.0)	(821.9)
	<u>(34.9)</u>	<u>(814.9)</u>	<u>(7.0)</u>	<u>(856.8)</u>

**Current liabilities**

Transfer from Assessment to Academic based on Assessment results	25.9
Transfer from Press to Academic based on Press results	3.9
Other inter-segment balances	8.7
Reclassification of provision from creditors > one year	(2.3)
University fee element of accrued scholar payments	17.5
Amounts owed to associated bodies	819.3
	<u>873.0</u>

**Creditors: amounts falling due after more than one year**

Reclassification of provision to current liabilities	<u>2.3</u>
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**Endowment reserves**

Special funds in Academic contributed by Press and Assessment	<u>(36.6)</u>
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**Unrestricted reserves**

Net assets eliminations as above	1.7
Special funds in Academic contributed by Press and Assessment	<u>36.6</u>
	<u>38.3</u>