

OXFORD AND CAMBRIDGE INTERNATIONAL ASSESSMENT SERVICES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2011

COMPANY REGISTERED NUMBER: 1838486

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OXFORD AND CAMBRIDGE INTERNATIONAL ASSESSMENT SERVICES LIMITED
YEAR ENDED 31 JULY 2011

DIRECTORS

The directors of the company at 31 July 2011 were as follows

Mr S Lebus
Mrs J Rippeth

COMPANY SECRETARY

Mrs S Knight

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Abacus House
Castle Park
Cambridge
CB3 0AN

BANKERS

Barclays Bank PLC
Bene't Street
Cambridge
CB2 3PZ

REGISTERED OFFICE

1 Hills Road
Cambridge
CB1 2EU

**OXFORD AND CAMBRIDGE INTERNATIONAL ASSESSMENT SERVICES LIMITED
DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2011**

The directors present their annual report and the audited financial statements for the year ended 31 July 2011

The report has been prepared taking advantage of the small companies exemption within Part 15 of the Companies Act 2006

Principal activities

The company's main activity is to provide overseas representative offices for University of Cambridge ESOL Examinations and University of Cambridge International Examinations

Financial performance

Turnover for the year increased to £939,000 from £514,000 in the previous year due to increased activity in the overseas offices. The profit for the year after taxation was £21,000 (2010 £10,000)

Dividends

The directors do not recommend the payment of a dividend for the year (2010 £nil)

Directors

No director has had a material interest, directly or indirectly, at any time during the year under review in any contract significant to the company's business

The directors are listed on page 2 of these accounts

Indemnity provision for directors

Cambridge Assessment has paid for insurance for the directors in respect of their duties as directors of the company

Political and charitable contributions

The company made no political or charitable contributions during the year (2010 £nil)

Independent Auditors

Pursuant to a shareholders' resolution, the company is not obliged to reappoint its auditors annually and PricewaterhouseCoopers LLP will therefore continue in office

Statement of disclosure of information to auditors

In accordance with Section 418 of the Companies Act 2006, as the company's directors, we certify that

- So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- Each director has taken all the steps that he or she ought to have taken as a director in order to make him or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

**OXFORD AND CAMBRIDGE INTERNATIONAL ASSESSMENT SERVICES LIMITED
DIRECTORS' REPORT FOR YEAR ENDED 31 JULY 2011**

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 these financial statements, the directors are required to

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

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. They 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.

BY ORDER OF THE BOARD



Mrs J Rippeth

Director

Date 21.10.2011

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OXFORD AND CAMBRIDGE INTERNATIONAL ASSESSMENT SERVICES LIMITED

We have audited the financial statements of Oxford and Cambridge International Assessment Services Limited for the year ended 31 July 2011 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as applicable to financial statements prepared in accordance with the small companies regime of the Companies Act 2006.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities set out on page 4 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 July 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
OXFORD AND CAMBRIDGE INTERNATIONAL ASSESSMENT SERVICES LIMITED**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- the financial statements are not in agreement with the accounting records and returns, or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report

Stuart Newman

Stuart Newman
(Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cambridge
Date 21 October 2011

OXFORD AND CAMBRIDGE INTERNATIONAL ASSESSMENT SERVICES LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 2011

	Note	2011 £000	2010 £000
Turnover		939	514
Cost of sales		(896)	(482)
Gross profit		<u>43</u>	<u>32</u>
Administrative expenses		(20)	(15)
Other operating income/(expenditure)		7	(1)
Operating profit	2	<u>30</u>	<u>16</u>
Interest payable and similar charges		(2)	(2)
Profit on ordinary activities before taxation		<u>28</u>	<u>14</u>
Tax on profit on ordinary activities	5	(7)	(4)
Profit for the financial year	10	<u>21</u>	<u>10</u>

All income and expenditure relates to continuing activities

The company has no recognised gains or losses other than the results shown above. Therefore no separate statement of total recognised gains and losses has been presented.

The financial statements were prepared on an unmodified historical cost basis and therefore the profit reported is based on historical cost.

OXFORD AND CAMBRIDGE INTERNATIONAL ASSESSMENT SERVICES LIMITED
BALANCE SHEET AS AT 31 JULY 2011

	Note	2011		2010	
		£000	£000	£000	£000
Current assets					
Debtors	6	45		30	
Short term deposits		25		25	
Cash at bank		177		88	
		<u>247</u>		<u>143</u>	
Creditors: amounts falling due within one year	7	(169)		(81)	
		<u></u>		<u></u>	
Net current assets			78		62
Total assets less current liabilities			<u>78</u>		<u>62</u>
Creditors: amounts falling due after more than one year	8		(91)		(96)
			<u>(91)</u>		<u>(96)</u>
Net liabilities			<u>(13)</u>		<u>(34)</u>
Capital and reserves					
Called up share capital	9		400		400
Profit and loss account			(413)		(434)
Total shareholders' deficit	10		<u>(13)</u>		<u>(34)</u>

The financial statements on pages 7 to 13 were approved by the board of directors on 21 October 2011 and were signed on its behalf by



Mrs J Rippeth
Director

Oxford and Cambridge International Assessment Services Limited
Registered number 1838486

OXFORD AND CAMBRIDGE INTERNATIONAL ASSESSMENT SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2011

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements except as noted below

Basis of preparation

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom

The financial statements have been prepared on the going concern basis, notwithstanding net liabilities of £13,000. The directors believe this to be appropriate for the following reasons

There is a reasonable expectation the company will continue to provide overseas office services to Cambridge Assessment, and while this arrangement continues Cambridge Assessment will not require repayment of the unsecured loan

Following a review of cash flow forecasts for a five year period, the directors have concluded the company will have sufficient resources to repay its other debts as they fall due

Advantage has been taken of the exemption available to small companies under Section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements show only the affairs of the company and not the Group

Cash flow statement

Under Financial Reporting Standard 1 (revised 1996), "Cash Flow Statements", the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements

Turnover

Turnover represents the amounts derived from the provision of goods and services to customers during the year, excluding value added tax

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains and losses on translation are included in the profit and loss account

Taxation

Tax recognised in the Profit and Loss Account is the amount estimated to be payable in respect of the taxable profit for the period along with adjustments to estimates in respect of previous periods. Tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date

OXFORD AND CAMBRIDGE INTERNATIONAL ASSESSMENT SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2011

1. Accounting policies (continued)

Trade debtors

Trade debtors are carried at cost less any impairment. An impairment is established when there is objective evidence that the company will not be able to collect all amounts due. The difference between the carrying amount and the recoverable amount is recognised within Administrative Expenses in the Profit and Loss Account.

Short term deposits

Short term deposits represent monetary amounts repayable at more than 24 hours notice.

Cash and cash equivalents

Cash and cash equivalents are carried at cost. Bank overdrafts are included within current liabilities on the balance sheet.

Trade creditors

Trade creditors are carried at the value of goods and services received from others.

2. Operating profit

	2011 £000	2010 £000
Operating profit is stated after charging/(crediting)		
Auditors remuneration – audit of these financial statements	1	1
Exchange (gain)/loss	<u>(7)</u>	<u>1</u>

3. Remuneration of directors

During the period two persons served as directors (2010: 2). Neither of them was remunerated by the company during the year or the preceding year.

4. Staff numbers and costs

The average number of persons (full time equivalent) employed by the company in overseas offices during the year was 18 (2010: 4).

Staff costs for the above persons comprise

	2011 £000	2010 £000
Salaries and wages	348	77
Social security costs	53	11
Other pension costs	31	2
	<u>432</u>	<u>90</u>

Other pension costs represent amounts payable to compulsory foreign government schemes in respect of overseas office staff.

OXFORD AND CAMBRIDGE INTERNATIONAL ASSESSMENT SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2011

5. Tax on profit on ordinary activities

(a) Analysis of charge in period

	2011 £000	2010 £000
UK corporation tax		
UK corporation tax on profit of the period	<u>7</u>	<u>4</u>
	<u>7</u>	<u>4</u>

(b) Factors affecting the tax for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 27.5% (2010: 28%). The difference is explained below

	2011 £000	2010 £000
Profit on ordinary activities before tax	<u>28</u>	<u>14</u>
Current tax at 27.5% (2010: 28%)	8	4
Effects of		
Small companies marginal rate tax relief	(1)	-
Total current tax charge (see above)	<u>7</u>	<u>4</u>

A number of changes to the UK corporation tax system were announced in the 2010 Budget Statement. The Finance (No 2) Act 2010, which was substantively enacted on 20 July 2010, included legislation reducing the main rate of corporation tax from 28% to 27% from 1 April 2011.

Further changes were announced in the March 2011 budget. On 29 March 2011 a reduction in the main rate of corporation tax to 26% from 1 April 2011 was substantively enacted.

6. Debtors

	2011 £000	2010 £000
Accrued income	<u>45</u>	<u>30</u>

7. Creditors: amounts falling due within one year

	2011 £000	2010 £000
Amounts owed to parent undertaking	23	7
Other creditors	3	-
Taxation and social security	7	4
Accruals and deferred income	<u>136</u>	<u>70</u>
	<u>169</u>	<u>81</u>

OXFORD AND CAMBRIDGE INTERNATIONAL ASSESSMENT SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2011

8. Creditors: amounts falling due after more than one year

	2011 £000	2010 £000
Amounts owed to parent undertaking	<u>91</u>	<u>96</u>

Amounts owed to the parent undertaking represents a loan from Cambridge Assessment for US\$149,000 (2010 US\$149,000), unsecured and repayable at the discretion of the company. Interest is charged at 2% above Barclays Bank PLC UK base rate.

9. Called up share capital

	2011 £000	2010 £000
Authorised		
400,000 Ordinary shares of £1 each	<u>400</u>	<u>400</u>
Allotted and fully paid		
400,000 Ordinary shares of £1 each	<u>400</u>	<u>400</u>

10. Movement in shareholders' deficit

	Share capital £000	Profit & loss account £000	Total £000
Year ended 31 July 2011			
Balance at 1 August 2010	400	(434)	(34)
Profit for the financial year	-	21	21
Balance at 31 July 2011	<u>400</u>	<u>(413)</u>	<u>(13)</u>
Year ended 31 July 2010			
Balance at 1 August 2009	400	(444)	(44)
Profit for the financial year	-	10	10
Balance at 31 July 2010	<u>400</u>	<u>(434)</u>	<u>(34)</u>

11. Subsidiary companies

Name of Subsidiary	Country of registration	Class of share	Proportion held direct	Nature of business
World Class Tests Limited	England	Ordinary	100%	Dormant

OXFORD AND CAMBRIDGE INTERNATIONAL ASSESSMENT SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2011

12 Related parties

Advantage has been taken of the exemption available under Financial Reporting Standard (FRS) 8, "Related Parties", not to disclose transactions with entities that are part of the University of Cambridge

13. Ultimate parent undertaking

The parent undertaking is Cambridge Assessment, a not for profit organisation, a department of the University of Cambridge. The ultimate parent undertaking is the University of Cambridge.

The largest group in which the results of the company are consolidated is that headed by the University of Cambridge. The smallest group in which they are consolidated is that headed by Cambridge Assessment. The consolidated financial statements of both Cambridge Assessment and the University of Cambridge may be obtained from the Cambridge University Reporter, Cambridge University Press Bookshop, 1 Trinity Street, Cambridge, CB2 1SZ.