

**OXFORD AND CAMBRIDGE INTERNATIONAL  
ASSESSMENT SERVICES LIMITED**

**ANNUAL REPORT  
FOR THE YEAR ENDED 31 JULY 2016**

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**OXFORD AND CAMBRIDGE INTERNATIONAL ASSESSMENT SERVICES LIMITED  
YEAR ENDED 31 JULY 2016**

**DIRECTORS**

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  
United Kingdom

**BANKERS**

Barclays Bank PLC  
9-11 St Andrew's Street  
Cambridge  
CB2 3AA  
United Kingdom

**REGISTERED OFFICE**

1 Hills Road  
Cambridge  
CB1 2EU  
United Kingdom

Registered number 1838486

**OXFORD AND CAMBRIDGE INTERNATIONAL ASSESSMENT SERVICES LIMITED**  
**YEAR ENDED 31 JULY 2016**

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## **OXFORD AND CAMBRIDGE INTERNATIONAL ASSESSMENT SERVICES LIMITED DIRECTORS' REPORT FOR YEAR ENDED 31 JULY 2016**

The directors present their annual report and the audited financial statements for the year ended 31 July 2016.

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

Oxford and Cambridge International Assessment Services Limited is a wholly-owned subsidiary of Cambridge Assessment, a department of the University of Cambridge (see note 15).

### **Principal activities**

The company's main activity is to provide overseas representative offices for Cambridge English Language Assessment and Cambridge International Examinations, which are divisions of Cambridge Assessment.

### **Review of business**

Turnover for the year was £2,346k, compared to £2,204k for the year ended 31 July 2015. The profit for the financial year was £48k (2015: £39k).

### **Dividends**

The directors do not recommend the payment of a dividend for the year (2015: £nil).

### **Political and charitable contributions**

The company made no political or charitable contributions during the year (2015: £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 who served during the year and up to the date of signing are listed on page 1 of these financial statements.

### **Indemnity provision for directors**

Cambridge Assessment has paid for insurance for the directors in respect of their duties as directors of the company. The insurance cover was in force throughout the financial year and up to the date of approval of the financial statements.

### **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 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 2016**

**Statement of directors' responsibilities**

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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (FRS 102), 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;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- 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.

ON BEHALF OF THE BOARD



**Mrs J Rippeth**  
*Director*  
10 October 2016

**OXFORD AND CAMBRIDGE INTERNATIONAL ASSESSMENT SERVICES LIMITED**

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

**Report on the financial statements**

**Our opinion**

In our opinion, Oxford and Cambridge International Assessment Services Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 July 2016 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.

**What we have audited**

The financial statements, included within the Annual Report, comprise:

- the Balance Sheet as at 31 July 2016;
- the Profit and Loss Account for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

**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.

**Other matters on which we are required to report by exception**

**Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; 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
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

**Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

**OXFORD AND CAMBRIDGE INTERNATIONAL ASSESSMENT SERVICES LIMITED**

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

**Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

**Responsibilities for the financial statements and the audit**

**Our responsibilities and those of the directors**

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) ("ISAs (UK & 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.

**What an audit of financial statements involves**

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Simon Ormiston (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Cambridge  
10 October 2016

**OXFORD AND CAMBRIDGE INTERNATIONAL ASSESSMENT SERVICES LIMITED**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 2016**

	<b>Note</b>	<b>2016 £000</b>	<b>2015 £000</b>
<b>Turnover</b>	<b>4</b>	<b>2,346</b>	<b>2,204</b>
Cost of sales		(2,236)	(2,185)
<b>Gross profit</b>		<b>110</b>	<b>19</b>
Administrative expenses		(48)	(44)
Other operating income		2	80
<b>Operating profit</b>	<b>5</b>	<b>64</b>	<b>55</b>
Interest payable and similar charges		(2)	(2)
<b>Profit on ordinary activities before taxation</b>		<b>62</b>	<b>53</b>
Tax on profit on ordinary activities	<b>7</b>	(14)	(14)
<b>Profit for the financial year</b>		<b>48</b>	<b>39</b>

All income and expenditure relates to continuing activities.

There is no other comprehensive income, therefore no separate statement of comprehensive income has been presented.



**OXFORD AND CAMBRIDGE INTERNATIONAL ASSESSMENT SERVICES LIMITED**  
**BALANCE SHEET AS AT 31 JULY 2016**

	<b>Note</b>	<b>2016 £000</b>	<b>2015 £000</b>
<b>Fixed assets</b>			
Investments	8	-	-
		-	-
<b>Current assets</b>			
Debtors	9	358	123
Short term deposits		-	26
Cash at bank and in hand		507	454
		865	603
<b>Creditors: amounts falling due within one year</b>	10	(727)	(417)
<b>Net current assets</b>		138	186
<b>Total assets less current liabilities</b>		138	186
<b>Creditors: amounts falling due after more than one year</b>	11	-	(96)
<b>Net assets</b>		138	90
<b>Capital and reserves</b>			
Called up share capital	12	400	400
Accumulated losses		(262)	(310)
<b>Total equity</b>		138	90

The financial statements on pages 7 to 15 were approved by the board of directors on 10 October 2016 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**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2016**

	<b>Called up share capital £000</b>	<b>Accumulated losses £000</b>	<b>Total equity £000</b>
<b>At 1 August 2014</b>	400	(349)	51
Profit for the financial year	-	39	39
Total comprehensive income for the year	-	39	39
<b>At 31 July 2015</b>	<u>400</u>	<u>(310)</u>	<u>90</u>
<b>At 1 August 2015</b>	400	(310)	90
Profit for the financial year	-	48	48
Total comprehensive income for the year	-	48	48
<b>At 31 July 2016</b>	<u>400</u>	<u>(262)</u>	<u>138</u>

Retained Earnings represents accumulated comprehensive income for the year and prior periods.

**OXFORD AND CAMBRIDGE INTERNATIONAL ASSESSMENT SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016**

**1. GENERAL INFORMATION**

Oxford and Cambridge International Assessment Services Limited is a private company limited by shares and is incorporated in England and Wales. The address of its registered office is 1 Hills Road, Cambridge CB1 2EU, United Kingdom.

**2. STATEMENT OF COMPLIANCE**

The individual financial statements of Oxford and Cambridge International Assessment Services 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. The company has adopted FRS 102 in these financial statements. Details of the transition to FRS 102 are disclosed in note 16.

**(a) Basis of preparation**

The financial statements are prepared in accordance with the historical cost convention and have been prepared on the going concern basis.

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. There are no areas involving a significant degree of judgement or critical estimates that are significant to these financial statements.

**(b) Going concern**

The company meets its day-to-day working capital requirements through its available cash and cash equivalents. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

**(c) Consolidated financial statements**

The company is a wholly-owned subsidiary of the University of Cambridge and is included in the consolidated financial statements of Cambridge Assessment and the University of Cambridge which are both publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

These financial statements are the company's separate financial statements.

**(d) Exemptions for qualifying entities under FRS 102**

The company has taken advantage of the exemption under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company includes the company's cash flows in its own consolidated financial statements (see note 15).

Advantage has also been taken of (i) the exemption available under FRS 102 not to disclose transactions with other entities that are wholly-owned within the University of Cambridge group, and (ii) exemption from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29.

**(e) Foreign currencies**

The company's functional and presentation currency is the pound sterling.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the date of the transaction. At each period end foreign currency monetary items are translated using the closing rate.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

**OXFORD AND CAMBRIDGE INTERNATIONAL ASSESSMENT SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(f) Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for services rendered, net of discounts and rebates allowed by the company and value added taxes.

Revenue is recognised in the accounting period in which the services are rendered when the outcome of the transaction can be estimated reliably.

**(g) Employee benefits**

Overseas employees are members of state-managed retirement benefit schemes operated by the respective local governments. Depending on location, the company is required to contribute a specified percentage of payroll costs to the retirement benefit schemes to fund the benefits. The only obligation of the company with respect to the retirement benefit schemes is to make the specified contributions as required by law.

Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

**(h) Taxation**

Tax recognised in the profit and loss account is the amount estimated to be payable in respect of the taxable profit for the year along with adjustments to estimates in respect of previous years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**(i) Leased assets**

At inception the company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

*Operating leased assets*

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

**(j) Investments**

*Investments in subsidiary undertakings*

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

**(k) Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less.

**(l) Financial instruments**

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

*(i) Financial assets*

Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price.

At the end of each reporting period financial assets are assessed for objective evidence of impairment. If there is objective evidence of impairment, the impairment loss is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

*(ii) Financial liabilities*

Basic financial liabilities, including trade and other payables are initially recognised at transaction price. Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

**OXFORD AND CAMBRIDGE INTERNATIONAL ASSESSMENT SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(i) Financial instruments (continued)**

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

**(iii) Offsetting**

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**4. TURNOVER**

Turnover represents the amounts derived from the provision of services to customers during the year, excluding value added tax. Turnover is wholly derived from customers in the UK.

**5. OPERATING PROFIT**

	<b>2016</b> <b>£000</b>	<b>2015</b> <b>£000</b>
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Operating leases charges	90	81
Fees payable to the company's auditors:		
- audit of company's financial statements	3	2
Foreign exchange gain	<u>(2)</u>	<u>(80)</u>

**6. EMPLOYEE AND DIRECTORS**

**Employees**

The average monthly number of persons employed by the company in overseas offices during the year was 31 (2015: 27). All staff costs relate to marketing and administration services.

Staff costs comprise:

	<b>2016</b> <b>£000</b>	<b>2015</b> <b>£000</b>
Wages and salaries	1,062	967
Social security costs	142	115
Other pension costs	91	69
	<u>1,295</u>	<u>1,151</u>

Other pension costs represent amounts payable to compulsory foreign government schemes in respect of overseas office staff. There were no amounts prepaid or outstanding at the year end (2015: £nil).

**Directors**

During the year the company had two directors in office (2015: two). The directors did not receive any remuneration in respect of services to the company (2015: £nil).

**OXFORD AND CAMBRIDGE INTERNATIONAL ASSESSMENT SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016**

**7. TAX ON PROFIT ON ORDINARY ACTIVITIES**

**(a) Tax expense included in profit or loss**

	<b>2016</b> <b>£000</b>	<b>2015</b> <b>£000</b>
Current tax:		
UK corporation tax on profits for the year	14	14
Tax on profit on ordinary activities	<u>14</u>	<u>14</u>

**(b) Reconciliation of tax charge**

The tax assessed for the year is higher than (2015: higher than) the standard rate of corporation tax in the UK of 20% (2015: 20.67%). The difference is explained below.

	<b>2016</b> <b>£000</b>	<b>2015</b> <b>£000</b>
Profit on ordinary activities before taxation	62	53
Current tax at 20% (2015: 20.67%)	12	11
Effects of:		
Expenses not deductible for tax purposes	2	3
Total tax charge for the year	<u>14</u>	<u>14</u>

**(c) Tax rate changes**

Changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill on 26 October 2015. These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 18% from 1 April 2020. A further change to the UK corporation tax rate was announced in the Chancellor's Budget on 16 March 2016. This was to reduce the main rate further from 18% to 17% from 1 April 2020. As this change had not been substantively enacted at the balance sheet date, its effect is not included in these financial statements.

**8. INVESTMENTS**

<b>Name of subsidiary</b>	<b>Country of registration</b>	<b>Class of share</b>	<b>Proportion held direct</b>	<b>Nature of business</b>
World Class Tests Limited	England	Ordinary	100%	Dormant

The carrying value of the investment in subsidiary is £nil (2015: £nil).

**9. DEBTORS**

	<b>2016</b> <b>£000</b>	<b>2015</b> <b>£000</b>
Amounts owed by group undertakings	246	16
Prepayments and accrued income	112	107
	<u>358</u>	<u>123</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

**OXFORD AND CAMBRIDGE INTERNATIONAL ASSESSMENT SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016**

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016 £000	2015 £000
Trade creditors	6	8
Taxation and social security	7	14
Accruals and deferred income	714	395
	<u>727</u>	<u>417</u>

**11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2016 £000	2015 £000
Amounts owed to group undertakings	<u>-</u>	<u>96</u>

Amounts owed to the parent undertakings represented a loan from Cambridge Assessment for USD 149,000 (2015: USD 149,000), which was unsecured and repayable at the discretion of the company. Interest was charged at 2% above Barclays Bank PLC UK base rate. The 'Interest payable and similar charges' disclosed on the face of the profit and loss account represented the interest paid on the loan. The loan was repaid in full on 10 March 2016, following the Board's approval.

**12. CALLED UP SHARE CAPITAL**

	2016 £000	2015 £000
<b>Allotted and fully paid</b>		
400,000 (2015: 400,000) Ordinary shares of £1 each	<u>400</u>	<u>400</u>

**13. OPERATING LEASES**

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

	2016 £000	2015 £000
Payments due:		
Not later than one year	38	40
Later than one year and not later than five years	-	-
Later than five years	-	-
	<u>38</u>	<u>40</u>

**14. RELATED PARTIES**

Advantage has been taken of the exemption available under FRS 102 not to disclose transactions with other entities that are wholly-owned within the University of Cambridge group.

**OXFORD AND CAMBRIDGE INTERNATIONAL ASSESSMENT SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016**

**15. CONTROLLING PARTIES**

The immediate parent undertaking is Cambridge Assessment, a not-for-profit organisation and a department of the University of Cambridge. The ultimate parent undertaking and ultimate controlling party is the University of Cambridge.

The smallest group in which results of the company are consolidated is Cambridge Assessment. The consolidated financial statements of Cambridge Assessment may be obtained from Cambridge Assessment, 1 Hills Road, Cambridge, CB1 2EU, United Kingdom. The largest group in which the results of the company are consolidated is that headed by the University of Cambridge. The consolidated financial statements of the University of Cambridge may be obtained from the Cambridge University Reporter, Cambridge University Press Bookshop, 1 Trinity Street, Cambridge, CB2 1SZ, United Kingdom.

**16. TRANSITION TO FRS 102**

This is the first year that the company has presented its results under FRS 102. The last financial statements prepared under old UK GAAP were for the year ended 31 July 2015. The date of transition to FRS 102 was 1 August 2014. Set out below are the changes in accounting policies which reconcile profit for the financial year ended 31 July 2015 and the total equity as at 1 August 2014 and 31 July 2015 between old UK GAAP as previously reported and FRS 102.

**Reconciliation of profit for the financial year ended 31 July 2015**

	<b>Note</b>	<b>2015 £000</b>
UK GAAP – as previously reported		44
Holiday pay accrual	A	(5)
Profit for the financial year as restated		<u>39</u>

**Reconciliation of equity**

		<b>As at 1 August 2014 £000</b>	<b>As at 31 July 2015 £000</b>
Capital and reserves as previously reported under UK GAAP		63	107
Holiday pay accrual	A	(12)	(17)
Capital and reserves as reported under FRS102		<u>51</u>	<u>90</u>

**A Holiday pay accrual**

FRS 102 requires short term employee benefits to be charged to the profit and loss account as the employee service is received. This has resulted in the company recognising a liability for holiday pay of £12,000 on transition to FRS 102. Previously, holiday pay accruals were not recognised and were charged to the profit and loss account as they were paid. In the year to 31 July 2015 an increase in the accrual of £5,000 was recognised in the profit and loss account and the liability at 31 July 2015 was £17,000.