

# **OXFORD CAMBRIDGE AND RSA EXAMINATIONS**

(An Exempt Charity and a Company Limited by Guarantee)

## **CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED**

**30 SEPTEMBER 2002**

**COMPANY REGISTERED NUMBER: 3484466**



**OXFORD CAMBRIDGE AND RSA EXAMINATIONS**  
**(An Exempt Charity and a Company Limited by Guarantee)**

**DIRECTORS' AND TRUSTEES' REPORT**

**DIRECTORS and TRUSTEES**

The directors of the company at 30 September 2002 were as follows:

Mrs Valerie Bragg	
Mr Adrian Groves	
Dr John J. Guy OBE	
Dr Michael Halstead	Resigned 3 May 2002
Dr John A. Leake	
Mr Richard M. Martineau	
Mr Bruce G. Picking	
Dr Katherine B Pretty (Chair)	
Mr Timothy M. Taylor	
Mrs Joanna Womack	
Prof Peter Goddard	
Prof John Gray	
Dr Christopher Pountain	
Dr Peter Robinson	Resigned 21 March 2002
Prof Gillian Brown CBE	
Dr David Good	
Mr Simon Lebus	Appointed 25 July 2002

**COMPANY SECRETARY**

Mrs Susan Knight

**AUDITORS**

KPMG LLP  
37 Hills Road  
CAMBRIDGE  
CB2 1XL

**BANKERS**

HSBC plc  
2 Station Avenue  
COVENTRY  
CV4 9GQ

Barclays Bank plc  
Bene't Street Business Centre  
PO Box No 2  
CAMBRIDGE  
CB2 3PZ

**REGISTERED OFFICE**

1 Hills Road  
CAMBRIDGE  
CB1 2EU

**OXFORD CAMBRIDGE AND RSA EXAMINATIONS**  
**(An Exempt Charity and a Company Limited by Guarantee)**

**DIRECTORS' AND TRUSTEES' REPORT**

**1. INTRODUCTION AND OBJECTIVES**

Oxford Cambridge and RSA Examinations ("OCR") is an exempt charity and a company limited by guarantee. OCR's governing document is its memorandum and articles of association. The only member of the company is the University of Cambridge. The directors of OCR are either appointed by The University of Cambridge or the Royal Society for the encouragement of Arts, Manufactures and Commerce ("RSA"). The University of Cambridge can appoint up to 9 directors and RSA up to 7 directors. No directors were employed by the company. The directors are also the trustees of the charitable company.

The main objective of the company is the Recognising of Achievement. It aims to encourage people to make the best possible use of their talents by recognising their achievements. Society and individuals both benefit from this process of OCR assessment and certification to national standards.

The trustees confirm that the accounts comply with current statutory requirements and the terms of the governing instruments of the company.

**2. BUSINESS REVIEW**

The directors believe that the company achieved its objectives during the year and will continue in the future to offer assessment and certification. During the year there were two enquiries into A Level grading which concluded that OCR had correctly followed the Code of Practice.

The company continues to act as agent for the processing of transactions relating to subsidiary undertakings. All amounts due to the company and by the company in respect of those transactions have been fully accounted for.

**3. RISKS**

The major risks, to which the charitable company is exposed as identified by the directors, have been reviewed and systems have been established to mitigate those risks.

**4. FINANCIAL PERFORMANCE**

Income for the year of £69.8m (2001: £69.1m) mainly arises from the fees charged for examinations and other qualifications.

Expenditure is incurred in maintaining and developing the qualifications, registration and certification of candidates, together with the quality control of examined and assessed schemes. Agreements are in place for the purchase of services from the University of Cambridge Local Examinations Syndicate ("UCLES").

The surplus for the year is £2.5m (2001: deficit £6.7m), this is after transferring £0.25m (2001: £9.75m) to WMEB Fund held by the University of Cambridge. Provision has been made in the financial statements for the depreciation of fixed assets and the policies adopted are set out in the accompanying notes. Tangible Fixed Assets are shown in note 9 of the financial statements.

**5. INSURANCE OF DIRECTORS & TRUSTEES**

The Company maintains insurance for Oxford Cambridge and RSA Examinations directors in respect of their duties as directors and trustees of the Company. The premium paid was £1,733 (2001: £1,733).

**OXFORD CAMBRIDGE AND RSA EXAMINATIONS**  
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**DIRECTORS' AND TRUSTEES' REPORT**

**6. RESERVES**

The directors have concluded that the company's reserves should be increased and expect this to be accomplished as small surpluses are achieved in the next few years.

**7. EMPLOYEES**

Should employees become disabled, wherever possible continued employment is sought and they are retained for jobs which are appropriate to their disability.

Regular meetings with employees are held to inform them of the development of the business.

**8. AUDITORS**

KPMG were re-appointed on 17<sup>th</sup> December 2001. However since that date their business was transferred to a limited liability partnership, KPMG LLP. Accordingly KPMG resigned as auditors on 21<sup>st</sup> June 2002 and the directors thereupon appointed KPMG LLP to fill the vacancy arising. A resolution for the reappointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming General Meeting.

BY ORDER OF THE BOARD



**Mrs S J Knight**  
*Secretary*

Date: 19/12/02



**Dr K B Pretty**  
*Trustee*

Date: 19.12.02

**OXFORD CAMBRIDGE AND RSA EXAMINATIONS**  
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**DIRECTORS' AND TRUSTEES' REPORT**

**STATEMENT OF RESPONSIBILITIES**

Company law requires the directors, who are also the trustees, to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and Group and of the profit or loss for that period. In preparing those financial statements the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position at any time of the Group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF  
OXFORD CAMBRIDGE AND RSA EXAMINATIONS  
(An Exempt Charity and a Company Limited by Guarantee)**

We have audited the financial statements on pages 7 to 20.

**Respective responsibilities of directors and auditors**

The directors, who also act as trustees for the charitable activities of the company, are responsible for preparing the directors' report and, as described on page 5, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' and trustees' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

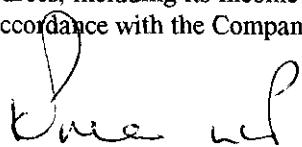
**Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we have also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the charitable company and the Group at 30 September 2002 and of the Group's incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**KPMG LLP**  
*Chartered Accountants*  
*Registered Auditor*  
*Cambridge*

Date: 19/12/02

**OXFORD CAMBRIDGE AND RSA EXAMINATIONS**  
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**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**(Including INCOME & EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2002**

	Note	2002 £000	2001 £000
<b>Incoming resources</b>			
Activities in furtherance of objects:			
Examination fees	2	64,202	64,077
Other educational and assessment services		4,798	4,029
Support from WMEB/EMREB Fund	2	507	-
Investment Income	5	274	979
<b>Total incoming resources</b>		<b>69,781</b>	<b>69,085</b>
<b>Resources expended</b>			
Charitable expenditure:			
Costs in furtherance of objects	3	54,053	52,245
Management and administration costs	3	12,581	13,240
Staff restructuring costs		154	142
<b>Total resources expended</b>		<b>(66,788)</b>	<b>(65,627)</b>
<b>Net incoming resources before interest</b>	4	<b>2,993</b>	<b>3,458</b>
Interest payable	6	(9)	(11)
<b>Net incoming resources before transfers, revaluations and investment asset disposals</b>		<b>2,984</b>	<b>3,447</b>
Transfer to the WMEB Fund		(250)	(9,750)
Realised loss on disposal of associate		-	(70)
<b>Net income/(expenditure) for the year</b>		<b>2,734</b>	<b>(6,373)</b>
Unrealised loss on investments		(273)	(301)
<b>Net movement in funds</b>		<b>2,461</b>	<b>(6,674)</b>
<b>Funds brought forward</b>	15	<b>6,616</b>	<b>13,290</b>
<b>Funds carried forward</b>	15	<b>9,077</b>	<b>6,616</b>

All income and expenditure relates to continuing activities.

The surplus for the period in the Company was £1,218,000 (2001: £580,000).

There is no difference between the net incoming resources transferred to the General Fund stated above and its historical cost equivalent.

The Group has no recognised gains or losses other than those included above. Therefore no separate statement of recognised gains and losses has been presented.

The funds are unrestricted as defined by the Statement of Recommended Practice, Accounting for Charities.

**OXFORD CAMBRIDGE AND RSA EXAMINATIONS**  
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**BALANCE SHEET AS AT 30 SEPTEMBER 2002**

		Group		Company	
	Note	2002 £000	2001 £000	2002 £000	2001 £000
<b>Fixed assets</b>					
Intangible fixed assets	8	3,190	3,798	-	-
Tangible fixed assets	9	11,889	10,534	211	207
Investments	10	1,670	1,943	14,970	14,970
		<u>16,749</u>	<u>16,275</u>	<u>15,181</u>	<u>15,177</u>
<b>Current assets</b>					
Stock		364	458	26	38
Debtors	11	5,183	4,747	8,688	11,256
Short term deposits		7,909	5,783	3,278	2698
Cash at bank and in hand		380	15,178	22	-
		<u>13,836</u>	<u>26,166</u>	<u>12,014</u>	<u>13,992</u>
<b>Creditors: amounts falling due within one year</b>	12	(6,252)	(20,357)	(18,724)	(21,704)
<b>Net current assets / (liabilities)</b>		<u>7,584</u>	<u>5,809</u>	<u>(6,710)</u>	<u>(7,712)</u>
<b>Total assets less current liabilities</b>		24,333	22,084	8,471	7,465
<b>Creditors: amounts falling due after more than one year</b>	13	(15,000)	(15,000)	(15,000)	(15,000)
<b>Provisions for liabilities and charges</b>	14	(256)	(468)	(256)	(468)
<b>Net assets</b>		<u>9,077</u>	<u>6,616</u>	<u>(6,785)</u>	<u>(8,003)</u>
<b>General fund</b>	15	9,077	6,616	(6,785)	(8,003)
		<u>9,077</u>	<u>6,616</u>	<u>(6,785)</u>	<u>(8,003)</u>

The analysis for the year ended 30 September 2001 has been re-stated to reflect the reclassification of cash and short term deposits.

The financial statements on Pages 7 to 20 were approved by the Board of Directors on 19<sup>th</sup> December 2002 and were signed on its behalf by:

*Katharine B. Pretty*

**Dr K B Pretty**  
Director

*Mr S Lebus*

**Mr S Lebus**  
Director



**OXFORD CAMBRIDGE AND RSA EXAMINATIONS**  
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**CONSOLIDATED CASHFLOW STATEMENT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2002**

	Note	2002 £000	2001 £000
<b>Net cash (outflow)/ inflow from operating activities</b>	<b>16a</b>	(10,540)	6,504
<b>Capital expenditure and financial investment</b>			
Payments to acquire tangible fixed assets		(1,657)	(283)
Receipts from sales of tangible fixed assets		-	121
Transfer to WMEB Fund		(250)	(9,750)
		(1,907)	(9,912)
<b>Cash outflow before use of liquid resources and financing</b>	<b>16b</b>	(12,447)	(3,408)
<b>Management of liquid resources</b>			
Net movements on money market deposits	<b>16c</b>	(2,126)	17,839
<b>(Decrease)/increase in cash in the year</b>		<u>(14,573)</u>	<u>14,431</u>

The analysis for the year ended 30 September 2001 has been re-stated to reflect the reclassification of cash and short term deposits.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 SEPTEMBER 2002**

**1. ACCOUNTING POLICIES**

**Basis of Accounting**

The financial statements have been prepared to conform with the Statement of Recommended Practice: Accounting and Reporting by Charities 2000, the Companies Act 1985, applicable Accounting Standards in the United Kingdom and under the historical cost basis. No separate Statement of Financial Activities is presented for the Company, as provided by Section 230 of the Companies Act 1985.

The Group has adapted certain of the headings set out in the Companies Act 1985 to reflect the nature of the Group's business as an exempt charity.

**Basis of Consolidation**

The Group accounts consolidate the accounts of OCR and its subsidiary and associated companies, made up to 30 September 2002; associates have been accounted for in accordance with the equity method.

The consolidated accounts are based on the accounts for the subsidiary undertakings which are coterminous with those of the parent company. The accounts of associated undertakings are not coterminous with the parent company but the effect of this is not material.

In the Company's accounts, the investments in the subsidiary companies are stated at cost less any permanent diminution in value.

**Goodwill**

Goodwill arises on consolidation and is based on the fair value of the consideration given for the subsidiary and the fair value of its assets at the date of acquisition. Goodwill relating to investments made by the Group is amortised over 10 years on a straight line basis, being its estimated useful economic life. Where there is a permanent diminution in the carrying value of goodwill, the loss is included in the results of the period.

**Leases**

Assets acquired under finance leases are included in tangible fixed assets and depreciated over the estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included in creditors.

**Pensions**

The three principal pension schemes for the Group's staff are funded defined benefit schemes. The Funds are valued every three years by professionally qualified independent actuaries, the rates of contribution payable being determined by the trustees on the advice of the actuaries. Pension costs are accounted for on the basis of charging the cost of providing pensions over the period during which the Group benefits from the employees' services.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 SEPTEMBER 2002**

**Depreciation**

Depreciation is charged to write off the cost of fixed assets over their estimated useful lives and is calculated as follows:

Freehold – Buildings	2% - 2.5% per annum on a straight line basis
Leasehold - Buildings	Over the terms of the lease
Plant & Equipment, Furniture and Fittings	15% - 33% per annum on a straight line basis

**Research and Development Expenditure**

Expenditure on research and development is written off in the period in which it is incurred.

**Stocks**

Stocks are stated at the lower of cost and net realisable value.

**Income Recognition and Deferral of Incoming Resources**

All income is recognised on a receivable basis. Examination fees receivable in respect of examination sessions taking place in subsequent financial years are deferred to the year in question.

**Cost Allocation**

Costs (including staff costs) are treated as costs in furtherance of objects where they are used in the operation or support of examination and assessment services. Other costs are treated as management and administration.

**2. INCOMING RESOURCES**

Examination fees income represents income from recognising and certifying educational achievement.

The Group received £507k from the EMREB and WMEB Funds administered by UCLES for development work undertaken in OCR.

**OXFORD CAMBRIDGE AND RSA EXAMINATIONS**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**30 SEPTEMBER 2002**

**3. STAFF COSTS**

The average number of persons employed by the Group during the year was 672 (2001: 662). These were engaged directly on the Group's furtherance of objects, management, support and administration functions.

Staff costs for the above persons comprise:	2002 £000	2001 £000
Salaries and wages	13,737	12,952
Social Security costs	1,018	963
Other pensions cost (note 18)	959	832
	<u>15,714</u>	<u>14,747</u>

Of the above costs £854,000 (2001: £424,000) was incurred relating to temporary staff.

The number of employees (excluding directors) whose emoluments were over £50,000 are as follows:

	2002 No.	2001 No.
£50,001 - £60,000	2	4
£60,001 - £70,000	5	2
£70,001 - £80,000	-	1
£80,001 - £90,000	1	1
£90,001 - £100,000	1	-

8 (2001: 7) of the staff above were members of a defined benefit pension scheme, 1 (2001: 1) being a member of a defined contribution scheme. Total contributions in the year to the defined contribution scheme amounted to £11,000 (2001: £10,000).

Information concerning payments to Trustees is given in note 20.

**4. NET INCOMING RESOURCES**

Net Incoming Resources is stated after charging:

		2002 Group £000	2001 Group £000
Auditors' remuneration	- audit fee	27	21
	- consultancy	37	306
Depreciation		519	629
Amortisation of goodwill		608	608
Operating leases	Land & buildings	193	213
	Plant, machinery & equipment	<u>153</u>	<u>205</u>

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**30 SEPTEMBER 2002**

**5. INVESTMENT INCOME**

	<b>2002</b>	<b>2001</b>
	<b>£000</b>	<b>£000</b>
Investment income	91	89
Interest receivable	183	890
	<u>274</u>	<u>979</u>

**6. INTEREST PAYABLE**

	<b>2002</b>	<b>2001</b>
	<b>£000</b>	<b>£000</b>
Interest payable on bank and other loans	<u>9</u>	<u>11</u>

**7. TAXATION**

OCR is an exempt charity and claims exemption from corporation tax under the provisions of section 505 of the Income and Corporation Taxes Act 1988.

**8. INTANGIBLE FIXED ASSETS**

**Group**

<b>GOODWILL</b>	<b>£000</b>
<b>COST</b>	
At 1 October 2001	6,078
At 30 September 2002	<u>6,078</u>
<b>AMORTISATION</b>	
At 1 October 2001	2,280
Charge for year	608
At 30 September 2002	<u>2,888</u>
<b>NET BOOK VALUE</b>	
At 30 September 2002	<u>3,190</u>
At 30 September 2001	<u>3,798</u>

**OXFORD CAMBRIDGE AND RSA EXAMINATIONS**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**30 SEPTEMBER 2002**

**9. TANGIBLE FIXED ASSETS**

Group	Land & Buildings			Plant & Equip.	Total £000
	Freehold £000	Long Leasehold £000	Short Leasehold £000	Furniture & Fittings £000	
<b>COST</b>					
At 1 October 2001	6,709	4,812	55	3,873	15,449
Additions	190	1,423	42	219	1,874
Disposals	0	0	0	(23)	(23)
At 30 September 2002	<u>6,899</u>	<u>6,235</u>	<u>97</u>	<u>4,069</u>	<u>17,300</u>
<b>DEPRECIATION</b>					
At 1 October 2001	445	1,075	6	3,389	4,915
Charge for year	151	96	10	262	519
Disposals	0	0	0	(23)	(23)
At 30 September 2002	<u>596</u>	<u>1,171</u>	<u>16</u>	<u>3,628</u>	<u>5,411</u>
<b>NET BOOK VALUE</b>					
At 30 September 2002	<u>6,303</u>	<u>5,064</u>	<u>81</u>	<u>441</u>	<u>11,889</u>
At 30 September 2001	<u>6,264</u>	<u>3,737</u>	<u>49</u>	<u>484</u>	<u>10,534</u>

There are no tangible fixed assets held for investment purposes by the Group, all are being used for the charitable objectives of the Group.

Company	Land & Buildings			Plant & Equip.	Total £000
	Freehold £000	Long Leasehold £000	Short Leasehold £000	Furniture & Fittings £000	
<b>COST</b>					
At 1 October 2001	-	-	55	259	314
Additions	-	-	42	13	55
At 30 September 2002	<u>-</u>	<u>-</u>	<u>97</u>	<u>272</u>	<u>369</u>
<b>DEPRECIATION</b>					
At 1 October 2001	-	-	6	101	107
Charge for year	-	-	10	41	51
At 30 September 2002	<u>-</u>	<u>-</u>	<u>16</u>	<u>142</u>	<u>158</u>
<b>NET BOOK VALUE</b>					
At 30 September 2002	<u>-</u>	<u>-</u>	<u>81</u>	<u>130</u>	<u>211</u>
At 30 September 2001	<u>-</u>	<u>-</u>	<u>49</u>	<u>158</u>	<u>207</u>

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**30 SEPTEMBER 2002**

**10. FIXED ASSET INVESTMENTS**

**Group**

	<b>Investments At Market Value £000</b>
At 1 October 2001	1,943
Decrease in market value	<u>(273)</u>
At 30 September 2002	<u><u>1,670</u></u>

Investments at market value comprise Cambridge University Amalgamated Fund Units. The market value at 30 September 2002 is based on the estimated valuation of that date provided by the University Finance Division.

**Company**

	<b>Investment in subsidiary undertakings £000</b>
At 1 October 2001	14,970
At 30 September 2002	<u><u>14,970</u></u>

<b>Name of subsidiary undertaking</b>	<b>Country of registration and operation</b>	<b>Class of share</b>	<b>Proportion held direct</b>	<b>Nature of business</b>
RSA Examinations Board	England	Member	100%	Assessment services
Progress House Printers Ltd.	England	Ordinary	100%	Dormant
The West Midlands Examinations Board	England	Member	100%	Examination services
Sandonian Properties Ltd	England	Ordinary	100%	Property Holding
Mill Wharf Ltd	England	Ordinary	100%	Training & Consultancy
OCR Nationals	England	Member	100%	Dormant

All of the subsidiary undertakings have been included in the consolidation.

The Group has a 33% interest in a joint venture company, QualDat, a company limited by guarantee and registered in England. The joint venture company has not traded since its incorporation.

**OXFORD CAMBRIDGE AND RSA EXAMINATIONS**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**30 SEPTEMBER 2002**

**11. DEBTORS**

	<b>Group</b>		<b>Company</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Fee debtors	2,600	2,664	670	580
Other trade debtors	90	109	23	5
Amounts owed by group undertakings	658	-	6,381	9,050
Other debtors	62	122	21	92
Prepayments	1,773	1,752	1,593	1,529
Accrued income	-	100	-	-
	<u>5,183</u>	<u>4,747</u>	<u>8,688</u>	<u>11,256</u>

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

	<b>Group</b>		<b>Company</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Bank loans and overdrafts	4	229	-	36
Trade creditors	737	645	737	635
Amounts due to group undertakings	-	14,599	12,559	16,199
Other taxes and social security	3,006	2,976	3,003	2,974
Other creditors	259	34	260	29
Accruals and deferred income	2,246	1,874	2,165	1,831
	<u>6,252</u>	<u>20,357</u>	<u>18,724</u>	<u>21,704</u>

**Deferred Income is analysed as:**  
(see page 11)

	<b>Group</b>		<b>Company</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 October 2001	368	611	366	611
Deferred in current year	544	368	41	366
Released from previous year	(368)	(611)	(366)	(611)
At 30 September 2002	<u>544</u>	<u>368</u>	<u>41</u>	<u>366</u>

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

	<b>Group</b>		<b>Company</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Loan from UCLES	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>

The loan from UCLES is unsecured and has no fixed repayment date. No interest was charged in the year to 30<sup>th</sup> September 2002.

**14. PROVISIONS FOR LIABILITIES AND CHARGES**

	<b>Group</b>	<b>Company</b>
	<b>£000</b>	<b>£000</b>
At 1 October 2001	468	468
Charged in year	204	204
Utilised in year	(371)	(371)
Released in year	(45)	(45)
At 30 September 2002	<u>256</u>	<u>256</u>



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**15. FUNDS**

<b>General fund</b>	<b>Group £000</b>	<b>Company £000</b>
At 1 October 2001	6,616	(8,003)
Surplus for the year	<u>2,461</u>	<u>1,218</u>
At 30 September 2002	<u>9,077</u>	<u>(6,785)</u>

The funds are unrestricted as defined by the Statement of Recommended Practice, Accounting for Charities.

**16. NOTES TO CASHFLOW STATEMENT**

**a. Reconciliation of changes in resources to net cash inflow from operating activities**

	<b>2002 £000</b>	<b>2001 £000</b>
Net incoming resources before transfers, revaluations and investment asset disposals	2,984	3,447
Depreciation of tangible fixed assets	519	629
Amortisation of goodwill	608	608
Movements in provisions	(212)	418
(Decrease)/increase in creditors	(14,097)	971
(Increase)/decrease in debtors	(436)	392
Decrease in stock	94	39
Net cash inflow from operating activities	<u>(10,540)</u>	<u>6,504</u>

**b. Reconciliation of net cash inflow to movements in net funds**

	<b>2002 £000</b>	<b>2001 £000</b>
Increase/(decrease) in cash in the year	(14,573)	14,431
Cash outflow/(inflow) from change in money market deposits	<u>2,126</u>	<u>(17,839)</u>
Change in net funds resulting from cashflows	(12,447)	(3,408)
Loan from associate written off	<u>-</u>	<u>74</u>
Decrease in net funds in the year	(12,447)	(3,334)
Net funds at 1 October 2001	5,732	9,066
Net funds at 30 September 2002	<u>(6,715)</u>	<u>5,732</u>

The analysis for the year ended 30 September 2001 has been re-stated to reflect the reclassification of cash and short term deposits.

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**16. NOTES TO CASHFLOW STATEMENT (continued)**

**c. Analysis of change in net funds**

	At 30 September 2001 £000	Cash Flows £000	Other Changes £000	At 30 September 2002 £000
Cash at bank and in hand	15,178	(14,798)	-	380
Overdrafts	(229)	225	-	(4)
	<u>14,949</u>	<u>(14,573)</u>	<u>-</u>	<u>376</u>
Debt due within one year	-	-	-	-
Debt due after one year	(15,000)	-	-	(15,000)
Money market deposits	5,783	2,126	-	7,909
Total	<u>5,732</u>	<u>(12,447)</u>	<u>-</u>	<u>(6,715)</u>

The analysis for the year ended 30 September 2001 has been re-stated to reflect the reclassification of cash and short term deposits.

**17. CAPITAL COMMITMENTS**

There were no capital commitments at the balance sheet date (2001: nil).

**18. PENSION COSTS**

The Group participates in three defined benefit pension schemes. The assets of the schemes are held in separate trustee-administered funds. The pension costs are assessed using the projected unit method.

Each scheme is valued every three years by professionally qualified independent actuaries who are not employees or officers of the Group. The CPS and USS schemes are not closed, nor is the age profile of their active membership rising significantly. The RSAEB scheme is a closed scheme which has 28 (2001: 35) active members.

The rates of contribution payable are determined by the trustees on the advice of the actuaries. Surpluses or deficits which arise at future valuations may impact on the Group's future contribution commitments.

The Group's contributions to the CPS and USS schemes are affected by a surplus or deficit in these schemes. The Group is unable to identify its share of the underlying assets and liabilities on a consistent and reasonable basis because there are multiple employers in the schemes. The RSAEB scheme is not considered to be material and therefore no disclosure of surplus or deficit has been made. The Group therefore accounts for its contributions to pension schemes as if they were defined contribution schemes.

The assumptions and other data which have the most significant effect on the results of the valuation are as follows, together with the current contribution rates:

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**18. PENSION COSTS (continued)**

	<u>RSAEB</u>	<u>USS</u>	<u>CPS</u>
Latest actuarial valuations	October 2000	March 1999	July 2000
Investment returns per annum	7.0%	8.5%	9.0%
Salary scale increases per annum	4.0%	6.5%	7.0%
Pension increases per annum	3.0%	5.0%	6.0%
Market value of assets at the date of last valuation	£4.5 Million	£18,815 Million	£265 Million
Funding level	102%	108%	135%
Employers contribution rate	17.6%	14%	1%

In addition to the pension schemes mentioned above the Group also contributes to a defined contribution pension scheme. This scheme provides benefits based on contributions to an insurance company.

The total pension costs for the Group were: £959,000 (2001: £832,000).

**19. OPERATING LEASES**

**Group**

At 30 September 2002 the Group had annual commitments under non-cancellable operating leases as follows:

	<u>Land &amp; Buildings</u>		<u>Plant, Machinery &amp; Equipment</u>	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Commitments expiring:				
In 1 year	38	9	39	95
Between 2 & 5 years	124	135	80	109
After 5 years	-	47	-	-

**Company**

At 30 September 2002 the Company had annual commitments under non-cancellable operating leases as follows:

	<u>Land &amp; Buildings</u>		<u>Plant, Machinery &amp; Equipment</u>	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Commitments expiring:				
in 1 year	-	-	20	90
Between 2 & 5 years	-	-	-	60
After 5 years	-	-	-	-

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**20. RELATED PARTY TRANSACTIONS**

The Group has taken advantage of the exemption in Financial Reporting Standard 8 to not disclose transactions or balances with entities which form part of the Group (or investees of the Group qualifying as related parties).

During the year the Group entered into transactions with Cambridge University Press ("CUP"), a Syndicate of the University of Cambridge, the ultimate parent undertaking as follows:- purchase of printing services £4.8m (2001: £5.6m), receipt of royalties £39,000 (2001: £61,000), sale of other services £150,000 (2001: £232,000).

At 30 September a balance of £47,000 (2001: £87,000) was due from CUP.

During the year the Group entered into transactions with the University of Cambridge, the ultimate parent undertaking, for their purchase of services amounting to £14,000 (2001: nil). There were no balances outstanding at 30 September 2002.

During the year one trustee (2001: 2) was paid fees totalling £165 (2001: £636) in connection with meetings fees/examination services. Total travel expenses of £823 (2001: £2,820) were paid to 6 (2001: 10) trustees.

**21. CONTINGENT LIABILITIES**

The Group is at risk of potential claims arising from the A Level grading for Summer 2002. The directors are unable to quantify the amount.

**22. ULTIMATE PARENT UNDERTAKING**

The University of Cambridge is the sole member of OCR.

The largest group in which the results of the OCR Group are consolidated is that headed by UCLES. The consolidated accounts of UCLES may be obtained from the Cambridge University Reporter.