

OXFORD CAMBRIDGE AND RSA EXAMINATIONS

(An exempt charity and a company limited by guarantee)

DIRECTORS' AND TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED

31 JULY 2009

COMPANY REGISTERED NUMBER: 3484466



Issued 26 November 2009

OXFORD CAMBRIDGE AND RSA EXAMINATIONS
(An exempt charity and a company limited by guarantee)

DIRECTORS' AND TRUSTEES' REPORT

The trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 July 2009

REFERENCE AND ADMINISTRATIVE DETAILS

Directors and trustees

The directors of the charitable company (the charity), (Oxford Cambridge and RSA Examinations, "OCR") are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees. The trustees serving during the period and since the period end were as follows

Prof Anthony J Badger	
Mr Patrick Derham	
Dr David Good	
Prof John Gray	
Dr John J Guy OBE	
Ms Denise Hall	
Dr John A Leake	
Mr Simon Lebus (Chair)	
Mr Richard M Martineau	
Mr Bruce G Picking	
Dr Katherine B Pretty CBE	
Mr Andrew Reid	
Prof Richard Taylor	(resigned 30 September 2009)
Mr R Partington	

Company secretary

Mrs Susan Knight

Chief Executive

Mr Gregor Watson

Auditors

PricewaterhouseCoopers LLP
Abacus House
Castle Park
Cambridge
CB3 0AN

Bankers

Barclays Bank plc
Bene't Street
CAMBRIDGE
CB2 3PZ

Solicitors

Mills and Reeve Solicitors
Francis House
112 Hills Road
CAMBRIDGE
CB2 1PH

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. STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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 charity is the University of Cambridge.

Appointment of trustees

The trustees of OCR are Syndics of the University of Cambridge Local Examinations Syndicate and the Chief Executive of the Local Examinations Syndicate. No trustees were employed by the charity. Syndics are appointed by The University of Cambridge as follows: Six members of the Regent House and six external members, along with a Chairman appointed by the Vice-Chancellor and a University Officer appointed by the Council. Members from the Regent House are appointed by the Council, while external members are appointed by the Council on the nomination of Cambridge Assessment.

Trustee induction and training

New trustees are briefed by the Secretary to the Board and the Chair and provided with information and documentation about the charity. All trustees are kept up to date on new developments in the charity and the legislative and regulatory environment in which it operates by way of trustee meetings and briefing papers.

Organisation

The day to day management of the charity is delegated to the Chief Executive of OCR. The trustees approve the business plan and budget, and they review the progress of the charity towards its objectives. The trustees, through sub-committees, review the assessment processes of the charity.

The Group to which the charity belongs has Audit and Remuneration Committees which also deal with issues arising from the charity. The members of these Committees are all trustees of the charity. Internal audit for the Group is contracted to Mazars LLP.

The charity maintains a formal register of trustees' interests. It is available for viewing on application to the Company Secretary.

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

Risk management

The trustees have a risk management policy which comprises

- Setting the tone and influencing the culture of risk management within the charity
- Ensuring that there exists a sound system of internal control (which includes risk management) that supports the achievement of policies, aims and objectives, and for safeguarding the assets for which they are responsible
- Taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities
- Approving major decisions affecting the charity's risk profile or exposure

The major risks were subject to the regular annual review. This included a review of systems and processes to address risks. The trustees consider that the controls are sufficient to address the risks identified.

DIRECTORS' AND TRUSTEES' REPORT

2. OBJECTIVES AND ACTIVITIES

The objects of the charity as set out in its Memorandum of Association are

- i the advancement of education, learning and research, and
- ii to support the charitable objects of The University of Cambridge

The charity 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 main objectives and challenges for the period, beyond high-quality delivery of high volumes of assessments and related services, were to make progress towards achieving the following within three years:

- i Continue, independently and/or in response to public policy reforms, to develop innovative, relevant and valued qualifications which learners want to gain, teachers feel able to deliver, and universities and employers recognise as a sound basis for recruitment and further learning
- ii Work closely with government and regulators to ensure that public policy is evidence-based, with a clear understanding of costs, risks and benefits, and specifically to contribute to the process of primary legislation to establish Ofqual as a new independent regulator of qualifications in the UK
- iii Contribute to the evaluation of the early trials of qualifications frameworks and begin their full implementation for OCR qualifications
- iv Improve the service to and reduce the administrative burden on schools and colleges, both independently and in collaboration with other awarding bodies
- v Scale e-marking up further until it is deployed on almost all written assessments
- vi Increase the number of assessments for which an on-screen alternative is available and begin a new investment programme to make large-scale e-assessment feasible when schools and colleges are ready for it
- vii Maintain a sound financial surplus which is adequate to sustain a growing investment in new qualifications and modernisation of operations

In setting the charity's objectives and planning its activities the trustees have given consideration to the Charity Commission's general guidance on public benefit and to its supplementary public benefit guidance on advancing education and on fee-charging.

3. ACHIEVEMENTS AND PERFORMANCE

The Charity has an annual set of objectives, performance against which is regularly reviewed by management. The trustees believe that the charity has made good progress towards its objectives during the period. In particular, OCR

- i Launched new GCSEs in most subjects, introducing a modular structure to more subjects to enable a more flexible programme of learning for individual students, re-developed its Mathematics, English and ICT GCSEs in preparation for first teaching from 2010, again introducing new structures to allow greater flexibility for learners, continued to pilot Functional Skills assessments, developed Principal Learning components for the second wave of Diplomas, extended take-up of its highly valued Nationals suite further, and continued to promote its ground-breaking Asset qualifications in modern foreign languages

DIRECTORS' AND TRUSTEES' REPORT

3. ACHIEVEMENTS AND PERFORMANCE (continued)

- ii Worked closely with two government departments, DCSF and DIUS, on key areas of policy reform, provided detailed contributions to the legislative process to establish a new independent regulator, Ofqual, contributed to the development, launch and support of Diplomas and to post-19 vocational qualifications reform, participated actively in scoping work by regulators on the cost of the examinations system, encouraging a broader perspective on the drivers of cost beyond awarding body operations to incorporate public policy, regulatory models and demand-side purchasing behaviour
- iii Re-developed its online Interchange administrative service for customers to offer a more integrated set of services across the whole portfolio of general and vocational qualifications
- iv Further increased the use of scanning and on-screen marking, extended the use of on-screen training for examiners, and extended the deployment of on-screen support for senior examiners when awarding ("e-awarding")
- v Maintained a range of on-screen assessments within GCSEs, A levels, Asset Languages and post-19 qualifications, and with other parts of the Cambridge Assessment Group, scoped and initiated a strategic programme of investment to create an integrated and scaleable set of systems to support e-assessment in the medium term
- vi Achieved an overall surplus for the year of £11.3m, which is adequate to sustain a growing investment in new qualifications and modernisation of operations

4. PLANS FOR FUTURE PERIODS

Over the next two years, to complete the plans in train, OCR intends to

- i Continue, in response to public policy reforms, to develop innovative, relevant and valued qualifications which learners want to gain, teachers feel able to deliver, and universities and employers recognise as a sound basis for recruitment and further learning, also to provide high-quality support through a range of channels – training, field support, telephone contact, web content – for teachers implementing these many changes
- ii Work closely with government and regulators, particularly the new Ofqual organisation once established, to ensure that policy is evidence-based, with a clear understanding of costs, risks and benefits, and that the regulatory system more effectively ensures public confidence in qualifications whilst enabling educational innovation
- iii Contribute to the early implementation of qualifications frameworks and ensure that issues are identified, lessons learnt and plans adapted accordingly, specifically, to highlight to governments and regulators the emerging tensions between differing frameworks in England, Wales, Scotland and Northern Ireland, and the potential harm to the interests of learners, universities and employers
- iv Continue to improve the service to and reduce the administrative burden on schools and colleges, both independently and in collaboration with other awarding bodies
- v Scale e-marking up further until it is deployed on almost all written assessments
- vi Increase the number of assessments for which an on-screen alternative is available, particularly within 14-19 examinations, and at the same time make a major investment towards creating scaleable systems for the deployment of large-scale e-assessment

OXFORD CAMBRIDGE AND RSA EXAMINATIONS
(An exempt charity and a company limited by guarantee)

DIRECTORS' AND TRUSTEES' REPORT

4. PLANS FOR FUTURE PERIODS (continued)

- vii Maintain a sound financial surplus which remains adequate to sustain a growing investment in new qualifications and modernisation of operations through a time of greater political, regulatory, economic and technological uncertainty

OCR keeps its major risks and uncertainties under regular review and has identified the following

- i Operationally, OCR is heavily dependent on the reliable operation of a range of IT systems developed and supported by the Cambridge Assessment Group, of which OCR is a member. Key systems are already identified and contingency arrangements are in place should they fail. There is also a further programme of work in place to enhance business continuity and disaster recovery capability.
- ii Although it exists in shadow form, Ofqual, the new qualifications regulator, does not exist in statute. When it does come into being, probably in early 2010, the Charity will face a period of some uncertainty. Ofqual will inherit a number of high-risk programmes from its predecessor, QCA, and it may be tempted to manage the risks through excessive and unpredictable intervention, which could both raise the Charity's costs and undermine the stability of ongoing operations. The Charity is engaging both with legislators, to ensure that Ofqual's rights and responsibilities are clearly framed, and with Ofqual's management, to help shape its modus operandi.
- iii QCA, OCR's English regulator, has undertaken a series of reviews of some fees charged by Awarding Bodies and has indicated a willingness to use its fee-capping powers in the future, although not at present. It is also expected that Ofqual, its successor, will have powers in this area under the legislation required to establish it. This could impact on the fee income of the organisation, and thereby weaken OCR's ability to invest with confidence and maintain an educationally diverse portfolio; it could also lead to an additional regulatory burden.
- iv The Secretary of State for Children, Schools and Families has established a non-statutory body called JACQA (the Joint Advisory Committee for Qualifications and Assessment), to provide him with guidance as to which qualifications should be publicly funded. There is a risk that it will make politically-driven decisions to withdraw funding from some vocational qualifications used by 14-19-year-olds in order to improve take-up of the new Diplomas. This could significantly reduce the Charity's income from OCR Nationals, which represent a fifth of its income. OCR management is actively engaged with DCSF, JACQA and other stakeholders to reduce the risk of adverse advice being provided to ministers.

5. FINANCIAL REVIEW

Income mainly arises from the fees charged for examinations and other qualifications. Total income for the year was £122.3m (2008: £120.8m). Income from Examination Fees has increased largely due to the continued growth of OCR Nationals qualifications, whilst Other Educational and Assessment Services income has fallen as a result of INSET courses on the new GCSE specifications being offered free of charge and the end of Government support for recruitment and retention of examiners.

Expenditure is incurred in maintaining and developing the qualifications, registration and certification of candidates, together with the quality control of examined and assessed schemes. In this year significant expenditure has been incurred on development activities related to GCSEs and Diplomas. Significant revenue and capital expenditure has also been incurred on IT systems development, including the redevelopment of the Interchange online administrative service.

OXFORD CAMBRIDGE AND RSA EXAMINATIONS
(An exempt charity and a company limited by guarantee)

DIRECTORS' AND TRUSTEES' REPORT

5. FINANCIAL REVIEW (continued)

These activities were supported by generous donations from the West Midlands Examinations Board ("WMEB") Fund held by the University of Cambridge which was established for the purposes of supporting OCR's developments. In total £4.1m (2008: £5.0m) was received from the WMEB fund whilst a transfer of £1.0m (2008: £0.9m) was made to the fund from the reserves of The West Midlands Examinations Board ("TWMEB").

Agreements are in place for the purchase of services from Cambridge Assessment which is the brand name of the University of Cambridge Local Examinations Syndicate. The Group believes that services purchased from Cambridge Assessment represent good value compared with the costs of providing such services itself.

During the year, the £15.0m loan from Cambridge Assessment and the £10.5m loan to Cambridge Assessment were repaid.

OCR's objectives include support for the University of Cambridge. The Trustees concluded that the charity's financial position is such that a donation of £4.7m would be made to the University of Cambridge.

The overall surplus for the year is £11.3m (2008: £17.6m). Provision has been made in the financial statements for the depreciation of tangible fixed assets and the policies adopted are set out in the accompanying notes. Tangible fixed assets are shown in note 7 of the financial statements.

Management of financial risks

The Group regularly assesses its financial risks and has established policies and business practices to protect against the adverse effects of these and other potential exposures.

Credit risk

The majority of OCR's customers are UK schools. OCR has a very low loss rate in respect of insolvency of other types of customer.

Liquidity risk

The Group has considerable financial resources, therefore the liquidity risk is considered to be very low.

Market risk

The Group holds significant investments in Cambridge University Endowment Fund Units which are managed on behalf of the University by professional investment managers. The capital growth or income from the units is affected by market conditions but because they are invested in a mixture of UK and overseas shares, properties and Government Bonds, this limits the Group's exposure to any particular market.

6. INSURANCE OF DIRECTORS & TRUSTEES

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

7. RESERVES AND INVESTMENTS

Reserves which are available to be applied at the discretion of the trustees for any or all of the Group's objectives (that part of the unrestricted income fund which could be realised without disposing of any fixed assets), amounted to £55m at 31 July 2009 (31 July 2008: £45m). This increase was caused by the surplus for the year as described above together with repayment of the loans due to and from Cambridge Assessment.

DIRECTORS' AND TRUSTEES' REPORT

7. RESERVES AND INVESTMENTS (continued)

The trustees have concluded that the charity's reserves are at a level which is possibly sufficient to ensure financial stability, to provide protection against unforeseen contingencies and the risks to which the charity is exposed, and to deal with the significant investment in new and revised qualifications and new technology that will be needed in the next few years. Nevertheless the trustees believe that it would be prudent to continue to increase the level of the charity's reserves using the surpluses that are expected in future years. The risks to which the charity is exposed include regulatory change, technological issues and changes in Government policy.

Reserves are also required to fund investment in the development of the charity's business, and ensure that no financial liability will ever fall on general University funds. Trustees consider that it would be imprudent for the charity to rely on loans to fund any of these requirements and that the University is unlikely to wish to divert general resources to support the charity's work. The charity must therefore maintain sufficient reserves to meet all its funding requirements, in bad as well as good times. The trustees believe that the reserves are adequate to meet all of the charity's obligations as they arise.

Cash not required for working capital is invested in Cambridge University Endowment Fund Units. The trustees reviewed the cash position at the end of the previous financial year and concluded that £40m of short term investments should be converted into Endowment Fund Units.

8. EMPLOYEE INVOLVEMENT AND DISABLED EMPLOYEES

OCR operates an equal opportunities policy which recognises that employees and applicants for employment have the right to be treated with dignity and equality regardless of gender, marital or parental status, family responsibilities, race, ethnic or national origin, colour, age, disability, religion or sexual orientation.

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with OCR continues and the appropriate training is arranged. It is the policy of OCR that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Regular meetings with employees are held to inform them of the development of the business. Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests.

9. DONATIONS

The Group made no political donations during the period. A charitable donation of £1m was made from the reserves of TWMEB to the WMEB fund held by the University of Cambridge, and a charitable donation of £4.7m was made to the University of Cambridge.

DIRECTORS' AND TRUSTEES' REPORT

10. STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES OF OXFORD CAMBRIDGE AND RSA EXAMINATIONS IN RESPECT OF THE DIRECTORS' AND TRUSTEES' REPORT AND THE FINANCIAL STATEMENTS

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

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the group and charitable company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees 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 group and the charitable company and of the income or expenditure of the charitable company and group for that period. In preparing these financial statements, the trustees 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 charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group 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 charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with company law, as the charitable company's trustees, we certify that

- So far as we are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- We have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

11. AUDITORS

During the year, KPMG LLP resigned and PricewaterhouseCoopers LLP were appointed as auditors of the charitable company.

BY ORDER OF THE TRUSTEES



Mr S Lebus
Director and Trustee

Date 26 November 2009

**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 of Oxford Cambridge and RSA Examinations for the year ended 31 July 2009 which comprise the Consolidated Statement of Financial Activities (including the Consolidated Income and Expenditure Account), the Group and Charity Balance Sheets, the Consolidated Cash Flow Statement and the related notes. The financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of the charitable company for the purposes of company law) responsibilities for preparing the Directors' and Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Responsibilities of the Trustees.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the charitable company's members as a body in accordance with Sections 495 and 496 of the Companies Act 2006 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Directors' and Trustees' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Directors' and Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and the charitable company'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 also evaluated the overall adequacy of the presentation of information in the financial statements.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and charitable company's affairs as at 31 July 2009 and of the group's incoming resources and application of resources, including its income and expenditure and cash flows, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006, and
- the information given in the Directors' and Trustees' Report is consistent with the financial statements.

Stuart Newman

Stuart Newman (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cambridge
26 November 2009

OXFORD CAMBRIDGE AND RSA EXAMINATIONS
(An exempt charity and a company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JULY 2009

	Note	2009 £m	2008 £m
Incoming resources			
Incoming resources from generated funds			
Voluntary income			
Support from WMEB Fund	2	4 1	5 0
Activities for generating funds			
Rental and Other Income		0 2	0 2
Investment Income	3	1 7	2 2
Incoming resources from charitable activities			
Examination fees	2	111 8	106 1
Other educational and assessment services		4 5	7 3
Total incoming resources		<u>122 3</u>	<u>120 8</u>
Resources expended			
Costs of generating funds		-	0 1
Charitable activities	4a	106 6	100 1
Governance costs	4b	-	-
Other resources expended			
Donation to WMEB fund		1 0	0 9
Donation to University		4 7	-
Other		-	1 7
Total resources expended		<u>(112 3)</u>	<u>(102 8)</u>
Net incoming resources before transfers	6	<u>10 0</u>	<u>18 0</u>
Net income for the period		<u>10 0</u>	<u>18 0</u>
Unrealised gain/(loss) on revaluation of investment assets		1 3	(0 4)
Net movement in funds		<u>11 3</u>	<u>17 6</u>
Reconciliation of funds			
Funds brought forward	13	53 7	36 1
Funds carried forward	13	<u>65 0</u>	<u>53 7</u>

All incoming resources and resources expended relate to continuing activities and arise from, or are in relation to unrestricted income funds

The total incoming resources for the year in the charity (OCR Company) was £122 1m (2008 £140 8m), and the result for the year in the charity was a surplus of £12 2m (2008 Surplus £23 9m)

There is no difference between the net movement in funds 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

OXFORD CAMBRIDGE AND RSA EXAMINATIONS
(An exempt charity and a company limited by guarantee)

BALANCE SHEET AS AT 31 JULY 2009

		Group		Charity	
	Note	2009 £m	2008 £m	2009 £m	2008 £m
Fixed assets					
Tangible fixed assets	7	10 0	8 7	9 0	7 8
Investments	8	43 6	12 8	43 8	13 0
		<u>53 6</u>	<u>21 5</u>	<u>52 8</u>	<u>20 8</u>
Current assets					
Debtors	9	9 0	10 2	8 9	10 1
Short term deposits		27 8	54 9	27 4	53 9
Cash at bank and in hand		0 3	0 6	0 3	0 4
		<u>37 1</u>	<u>65 7</u>	<u>36 6</u>	<u>64 4</u>
Creditors: amounts falling due within one year	10	(25 7)	(18 4)	(25 6)	(18 5)
Net current assets		<u>11 4</u>	<u>47 3</u>	<u>11 0</u>	<u>45 9</u>
Total assets less current liabilities		65 0	68 8	63 8	66 7
Creditors: amounts falling due after more than one year	11	-	(15 0)	-	(15 0)
Provisions for liabilities and charges	12	-	(0 1)	-	(0 1)
Net assets		<u>65 0</u>	<u>53 7</u>	<u>63 8</u>	<u>51 6</u>
The funds of the charity:					
Represented by					
Unrestricted funds					
Income fund	13	63 4	53 4	62 2	51 3
Revaluation reserve		1 6	0 3	1 6	0 3
		<u>65 0</u>	<u>53 7</u>	<u>63 8</u>	<u>51 6</u>

The financial statements on Pages 11 to 26 were approved by the Board of Directors on 26 November 2009 and were signed on its behalf by



Professor A J Badger
Director and Trustee



Mr S Lebus
Director and Trustee

OXFORD CAMBRIDGE AND RSA EXAMINATIONS
(An exempt charity and a company limited by guarantee)

CONSOLIDATED CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2009

	Note	2009 £m	2008 £m
Net cash inflow from operating activities	14a	18 0	16 7
Returns on investments and servicing of finance			
Investment income		1 5	2 0
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(2 4)	(1 2)
Receipts from sale of tangible fixed assets		-	1 0
Payments to acquire investments		(40 0)	-
Receipts of loan repayment from group undertakings		10 5	-
		(31 9)	(0 2)
Cash (outflow)/ inflow before use of liquid resources and financing	14b	(12 4)	18 5
Management of liquid resources			
Net movement on short term deposits	14c	27 1	(18 6)
Financing			
Repayment of loan to group undertakings		(15 0)	-
(Decrease) in cash in the year		<u>(0 3)</u>	<u>(0 1)</u>

OXFORD CAMBRIDGE AND RSA EXAMINATIONS
(An exempt charity and a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009

1. ACCOUNTING POLICIES

Basis of accounting

The charity's accounts are prepared under the Statement of Recommended Practice "Accounting and Reporting for Charities" (the SORP) issued in 2005

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

No separate Statement of Financial Activities is presented for the charity, as provided by Section 408 of the Companies Act 2006

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules, modified to include the revaluation of certain investment assets

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 financial statements incorporate the results of OCR and its subsidiary undertakings. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated statement of financial activities from the date of acquisition or up to the date of disposal.

Leases

Operating lease rentals are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pensions

The Group participates in three pension schemes providing benefits based on final pensionable pay. The assets of the schemes are held separately from those of the Group. The Group is unable to identify its share of the underlying assets and liabilities of the schemes on a consistent and reasonable basis and therefore, as required by FRS 17, accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the Statement of Financial Activities represents the contributions payable to each scheme in respect of the accounting period.

Research and development expenditure

Development work on IT projects is capitalised within tangible fixed assets when the overall project is expected to give rise to future economic benefits. Other expenditure on research and development is written off in the year in which it is incurred.

Fixed assets and depreciation

The following fixed assets are capitalised at cost

- Freehold and leasehold buildings
- Individual items of plant, equipment and computer hardware costing over £10,000
- Expenditure on furniture and fittings as part of a major refurbishment project
- Purchased computer software packages costing over £10,000
- Computer hardware and software forming part of a project costing over £75,000

Development work on IT projects is capitalised within tangible fixed assets when the overall project is expected to give rise to future economic benefits.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009

1. ACCOUNTING POLICIES (continued)

Fixed assets and depreciation (continued)

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, computer software	15% - 25% per annum on a straight line basis

Freehold land is not depreciated

Where there has been some indication that the carrying amount of a fixed asset may not be recoverable, an impairment review is carried out in accordance with requirements of FRS11. If the carrying amount is higher than the recoverable amount, the asset is written down accordingly.

Income recognition and deferral of incoming resources

Income from session-based examinations is recognised when services are rendered and substantially completed at the reporting date. Income received in advance of services being rendered is deferred and recognised in subsequent financial periods when the respective examination sessions or courses take place.

For assessments not based on examination sessions and other ongoing customer contracts where the assessment or contract extends past the financial year end, income is recognised on the basis of the proportion of work completed at the reporting date.

Where course entry is purchased in advance for which candidates have not been entered, income is deferred and recognised when a named candidate is entered and the service rendered. Where a product is replaced the entries may (in some cases) be exchanged for entries for replacement products, in which case the income continues to be deferred until the conditions for recognition are met. Where no such exchange is made and no further entries can be made any remaining deferred income is immediately recognised.

Resources expended

Expenditure is charged on an accruals basis, inclusive of irrecoverable VAT. Expenditure is treated as expenditure on charitable activities where it is used in the operation or support of examination and assessment services. Costs incurred by the trading subsidiaries are classified as expenditure on activities to generate funds. Governance costs include the expenses associated with trustee meetings, external audit and core executive management. No costs are apportioned between categories.

Taxation

OCR is an exempt charity and claims exemption from Corporation Tax for its charitable activities under the provisions of section 505 of the Income and Corporation Taxes Act 1988.

Short term deposits

Short term deposits relate to cash on deposit through the University of Cambridge that is not accessible within 24 hours.

OXFORD CAMBRIDGE AND RSA EXAMINATIONS
(An exempt charity and a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009

1. ACCOUNTING POLICIES (continued)

Investments

Investments in Cambridge University Endowment Fund units are valued at market value at the reporting date

Investments in subsidiary undertakings are stated at cost in OCR, less impairment loss where applicable, in accordance with FRS11 requirements

Unrealised gains and losses on revaluations of these assets are recognised in the Statement of Financial Activities

Recognition of liabilities

Provisions are recognised in accordance with FRS 12 and are not discounted

2. INCOMING RESOURCES

Examination fees income represents income from recognising and certificating educational achievement

Voluntary income relates to sums donated from the WMEB fund which is a trust fund held by the University of Cambridge created from assets transferred from The West Midlands Examination Board

All turnover is attributable to the UK and to one class of business which is the provision of assessment and assessment related services

3. INVESTMENT INCOME

	2009 £m	2008 £m
Income from Cambridge University Endowment Fund units	0.8	0.1
Interest receivable	0.9	2.1
	<u>1.7</u>	<u>2.2</u>

4. RESOURCES EXPENDED

a) on support costs

Included in resources expenditure are support costs in respect of the charitable activity of assessment

	2009 £m	2008 £m
Premises	4.2	3.9
Finance	1.7	1.8
Human resources	1.7	1.6
Management	0.8	0.5
Information management	9.6	8.3
Logistics	0.6	0.8
	<u>18.6</u>	<u>16.9</u>

b) on governance

	2009 £m	2008 £m
Audit fee	-	-
Legal and other costs	-	-
	<u>-</u>	<u>-</u>

OXFORD CAMBRIDGE AND RSA EXAMINATIONS
(An exempt charity and a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009

5. STAFF COSTS

The average number of persons (full time equivalent) employed by the OCR company during the year was 633 (2008 629), and no staff were employed by the subsidiaries. These were engaged directly on the Group's charitable activities and Governance.

Staff costs for the above persons comprise

	2009 £m	2008 £m
Salaries and wages	17.8	16.8
Social security costs	1.4	1.4
Other pensions cost (note 15)	2.9	4.3
	<u>22.1</u>	<u>22.5</u>

Of the above costs £0.2m (2008 £0.5m) related to temporary staff.

The number of employees (excluding trustees) whose emoluments were over £60,000 are as follows:

	2009 No.	2008 No.
£60,001 - £70,000	8	5
£70,001 - £80,000	3	1
£80,001 - £90,000	2	2
£90,001 - £100,000	-	2
£100,001 - £110,000	3	1
£110,001 - £120,000	-	-
£150,001 - £160,000	-	1
£160,001 - £170,000	1	-

All 17 (2008 12) of the staff above were members of a defined benefit pension scheme.

During the year one trustee received fees of £1,393 (2008 £1,631) in respect of examination services, no other trustee or connected person received any remuneration from the company (2008 £ nil). See note 19.

6. NET INCOMING RESOURCES

	2009 £m	2008 £m
Net incoming resources are stated after charging:		
Depreciation	1.2	0.4
Operating leases	0.2	0.2
- land and buildings		
- plant, machinery and equipment	<u>0.2</u>	<u>0.3</u>

Audit fees for the charity are paid by the parent undertaking, Cambridge Assessment, and OCR's share was £36,593 (2008 £54,356). Audit fees in respect of subsidiary undertakings amounted to £3,597 (2008 £5,487). No fees were paid to Auditors in respect of other services (2008 £4,999).

OXFORD CAMBRIDGE AND RSA EXAMINATIONS
(An exempt charity and a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009

7 TANGIBLE FIXED ASSETS

GROUP

	Land & buildings			Plant & equip furniture & fittings £m	Assets under construction £m	Total £m
	Freehold £m	Long leasehold £m	Short Leasehold £m			
COST						
At 1 August 2008	3.5	8.3	0.5	1.1	0.8	14.2
Disposals	-	-	-	-	-	-
Additions	-	-	-	2.2	0.3	2.5
Transfers	-	-	-	0.8	(0.8)	-
At 31 July 2009	<u>3.5</u>	<u>8.3</u>	<u>0.5</u>	<u>4.1</u>	<u>0.3</u>	<u>16.7</u>
DEPRECIATION						
At 1 August 2008	2.6	2.0	0.3	0.6	-	5.5
Disposals	-	-	-	-	-	-
Charge for year	-	0.2	0.1	0.9	-	1.2
At 31 July 2009	<u>2.6</u>	<u>2.2</u>	<u>0.4</u>	<u>1.5</u>	<u>-</u>	<u>6.7</u>
NET BOOK VALUE						
At 31 July 2009	<u>0.9</u>	<u>6.1</u>	<u>0.1</u>	<u>2.6</u>	<u>0.3</u>	<u>10.0</u>
At 31 July 2008	<u>0.9</u>	<u>6.3</u>	<u>0.2</u>	<u>0.5</u>	<u>0.8</u>	<u>8.7</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

CHARITY

	Land & buildings		Plant & equip furniture & fittings £m	Assets under construction £m	Total £m
	Long term leasehold £m	Short term leasehold £m			
COST					
At 1 August 2008	6.3	0.5	1.2	0.8	8.8
Additions	-	-	2.0	0.3	2.3
Transfers	-	-	0.8	(0.8)	-
At 31 July 2009	<u>6.3</u>	<u>0.5</u>	<u>4.0</u>	<u>0.3</u>	<u>11.1</u>
DEPRECIATION					
At 1 August 2008	-	0.3	0.7	-	1.0
Charge for year	0.2	0.1	0.8	-	1.1
At 31 July 2009	<u>0.2</u>	<u>0.4</u>	<u>1.5</u>	<u>-</u>	<u>2.1</u>
NET BOOK VALUE					
At 31 July 2009	<u>6.1</u>	<u>0.1</u>	<u>2.5</u>	<u>0.3</u>	<u>9.0</u>
At 31 July 2008	<u>6.3</u>	<u>0.2</u>	<u>0.5</u>	<u>0.8</u>	<u>7.8</u>

OXFORD CAMBRIDGE AND RSA EXAMINATIONS
(An exempt charity and a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009

8. FIXED ASSET INVESTMENTS

GROUP	At 1 August 2008	Movement in year	Increase in market value	At 31 July 2009
	£m	£m	£m	£m
Investments at market value	2.3	40.0	1.3	43.6
Loans to Group undertakings	10.5	(10.5)	-	-
Total	12.8	29.5	1.3	43.6

Investments at market value comprise Cambridge University Endowment Fund units. The market value at 31 July 2009 is based on the valuation at that date provided by the Finance Division of the University of Cambridge. The investments are managed by the University of Cambridge through external investment managers. The historic cost of these investments at 31 July 2009 amounted to £42.0m (2008: £2.0m).

Loans to group companies comprised an interest-free loan to Cambridge Assessment, the parent undertaking, which was repaid during the year.

CHARITY	At 1 August 2008	Movement in year	Increase in market value	At 31 July 2009
	£m	£m	£m	£m
Investments at market value	2.3	40.0	1.3	43.6
Investments in subsidiary undertakings	0.2	-	-	0.2
Loan to Cambridge Assessment	10.5	(10.5)	-	-
Total	13.0	29.5	1.3	43.8

Investments at market value comprise Cambridge University Endowment Fund units. The market value at 31 July 2009 was provided by the Finance Division of the University of Cambridge.

The interest-free loan to Cambridge Assessment, the parent undertaking, was repaid during the year.

Name of subsidiary undertaking	Country of registration and operation	Class of share	Proportion held direct	Nature of business
RSA Examinations Board	England	Member	100%	Dormant
Progress House Printers Limited	England	Ordinary	100%	Dormant
The West Midlands Examinations Board	England	Member	100%	Examination services
Sandonian Properties Limited	England	Ordinary	100%	Property Holding
Mill Wharf Limited	England	Ordinary	100%	Dormant
OCR Nationals	England	Member	100%	Dormant

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

OXFORD CAMBRIDGE AND RSA EXAMINATIONS
(An exempt charity and a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009

8. FIXED ASSET INVESTMENTS (continued)

Summary of financial statements of subsidiaries

	Sandonian Properties Limited	
	2009 £m	2008 £m
Turnover	0 2	0 2
Expenditure	(0 1)	(0 1)
Interest payable	-	(0 1)
Result for the year	<u>0 1</u>	<u>-</u>
Fixed assets	0 9	0 9
Current assets	0 2	0 1
Creditors amounts falling due within 1 year	(0 1)	(0 1)
Creditors amounts falling due after more than 1 year	<u>(3 2)</u>	<u>(3 2)</u>
Net assets	<u>(2 2)</u>	<u>(2 3)</u>

	RSAEB	
	2009 £m	2008 £m
Incoming resources	-	0 2
Resources expended	-	(0 2)
Transfer to OCR	-	(20 4)
Net movement on funds	<u>-</u>	<u>(20 4)</u>
Fixed assets	-	-
Current assets	-	-
Creditors amounts falling due within 1 year	-	-
Net assets	<u>-</u>	<u>-</u>

9. DEBTORS

	Group		Charity	
	2009 £m	2008 £m	2009 £m	2008 £m
Fee debtors	4 9	5 9	4 9	5 9
Other trade debtors	0 2	0 9	0 1	0 8
Amounts owed by group undertakings	-	-	-	-
Prepayments	<u>3 9</u>	<u>3 4</u>	<u>3 9</u>	<u>3 4</u>
	<u>9 0</u>	<u>10 2</u>	<u>8 9</u>	<u>10 1</u>

OXFORD CAMBRIDGE AND RSA EXAMINATIONS
(An exempt charity and a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2009 £m	2008 £m	2009 £m	2008 £m
Trade creditors	2.4	1.7	2.4	1.7
Amounts due to group undertakings	-	0.1	0.1	0.2
Other taxes and social security	3.9	3.7	3.9	3.7
Other creditors	0.3	0.5	0.2	0.5
Accruals and deferred income	19.1	12.4	19.0	12.4
	<u>25.7</u>	<u>18.4</u>	<u>25.6</u>	<u>18.5</u>

Deferred income is analysed as

	Group		Charity	
	2009 £m	2008 £m	2009 £m	2008 £m
At 1 August 2008	4.0	2.9	3.9	2.9
Deferred in current year	4.4	3.4	4.4	3.3
Released from previous year	(2.8)	(2.3)	(2.7)	(2.3)
At 31 July 2009	<u>5.6</u>	<u>4.0</u>	<u>5.6</u>	<u>3.9</u>

Income is deferred in accordance with the income recognition policy (see note 1)

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

	Group		Charity	
	2009 £m	2008 £m	2009 £m	2008 £m
Loan from Cambridge Assessment	-	15.0	-	15.0

The unsecured loan from Cambridge Assessment was repaid during the year. No interest was charged in the year to 31 July 2009 (2008: £nil)

12. PROVISIONS FOR LIABILITIES AND CHARGES

Group and charity

	£m
At 1 August 2008	0.1
New provisions	-
Released during the year	(0.1)
At 31 July 2009	<u>-</u>

Provisions had been made in respect of employment issues, buildings dilapidations and VAT

OXFORD CAMBRIDGE AND RSA EXAMINATIONS
(An exempt charity and a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009

13. UNRESTRICTED FUNDS

	General Fund £m	Revaluation Reserve £m	Total Funds £m
Group			
At 1 August 2008	53.4	0.3	53.7
Surplus for the year	10.0	-	10.0
Unrealised gain on investment assets	-	1.3	1.3
At 31 July 2009	<u>63.4</u>	<u>1.6</u>	<u>65.0</u>
Charity			
At 1 August 2008	51.3	0.3	51.6
Surplus for the year	10.9	-	10.9
Unrealised gain on investment assets	-	1.3	1.3
At 31 July 2009	<u>62.2</u>	<u>1.6</u>	<u>63.8</u>

14. NOTES TO CONSOLIDATED CASHFLOW STATEMENT

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

	2009 £m	2008 £m
Net incoming resources before transfers	10.0	18.0
Depreciation of tangible fixed assets	1.2	0.4
Less: Investment income	(1.7)	(2.2)
Movements in provisions	(0.1)	0.1
Increase/ (decrease) in creditors	7.2	(0.8)
Decrease in debtors	1.4	1.2
Net cash inflow from operating activities	<u>18.0</u>	<u>16.7</u>

b. Reconciliation of net cash flow to movements in net funds

	2009 £m	2008 £m
(Decrease) in cash in the period	(0.3)	(0.1)
Cash (inflow)/ outflow from change in short term deposits	(27.1)	18.6
Cash outflow from loan repayment	15.0	-
(Decrease)/ increase in net funds resulting from cashflows	<u>(12.4)</u>	<u>18.5</u>
Net funds at 1 August	40.5	22.0
Net funds at 31 July	<u>28.1</u>	<u>40.5</u>

c. Analysis of change in net funds

	At 1 August 2008 £m	Cash flows £m	At 31 July 2009 £m
Cash at bank and in hand	0.6	(0.3)	0.3
Debt due after more than one year	(15.0)	15.0	-
Short term deposits	54.9	(27.1)	27.8
Total	<u>40.5</u>	<u>(12.4)</u>	<u>28.1</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009

15. PENSION COSTS

The Group participates in three defined benefit pension schemes. Each scheme is valued every three years by professionally qualified independent actuaries.

The CPS and USS schemes are not closed, nor are the age profiles of their active membership rising significantly. The Group's contributions to the CPS and USS schemes are affected by a surplus or deficit in these schemes. The RSAEB scheme is a closed scheme which has 9 (2008: 11) active members of whom 8 (2008: 10) work for OCR and 1 (2008: 1) works for Cambridge Assessment. The rates of contribution payable are determined by the trustees on the advice of the actuaries.

It is not possible to identify the Group's share of underlying assets and liabilities of the CPS and USS schemes and therefore contributions are accounted for as if they were defined contribution schemes in accordance with FRS 17. The assumptions and other data that have the most significant effect on the determination of contribution levels are as follows:

USS and CPS	USS	CPS
Latest actuarial valuations	Mar 2008	Jul 2006
Investment returns per annum	4.4%	6.9%
Salary scale increases per annum	4.3%	4.5%
Pension increases per annum	3.3%	3.0%
Market value of assets at date of last valuation	£28,842m	£276m
Funding level	103%	97%
Employer's contribution rate	14%*	19.7%

The results of the July 2009 actuarial valuation of the CPS scheme are not yet available. Full details of the CPS scheme can be obtained from the University of Cambridge (see note 20).

* Increasing to 16% with effect from 1 October 2009.

RSAEB pension scheme

Although under FRS 17 it is classified as a multi-employer scheme covering employees in both OCR and Cambridge Assessment, information relating to the scheme as a whole is given below. Full disclosures of the scheme accounted for under FRS 17 are given in the Cambridge Assessment group accounts available from the Cambridge University Reporter (see note 20).

The latest full actuarial valuation of the scheme, as at 31 July 2007, showed a funding deficit of £1.8m. The employers made a single payment to fund the deficit in July 2008 as a consequence of which no further deficit funding payments were required in the year ended 31 July 2009.

The employer's contribution rate for the scheme is 31.8% of pensionable pay.

The results of the actuarial valuation have been updated to 31 July 2009 by a qualified independent actuary in accordance with the requirements of FRS 17.

OXFORD CAMBRIDGE AND RSA EXAMINATIONS
(An exempt charity and a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009

15 PENSION COSTS (continued)

The major assumptions used by the actuary were

	At 31 July 2009	At 31 July 2008
Discount rate	6.3%	6.3%
Retail price inflation	3.4%	3.6%
Salary increase rate	5.4%	5.6%
Pensions increases (at Limited Price Indexation)	3.6%	3.8%
Deferred pension revaluation	3.4%	3.6%

At 31 July 2009 the mortality assumption followed the standard table known as PA92 with medium cohort mortality improvements subject to a 1% minimum to the annual improvements. The mortality assumptions used at the previous year end followed the PA92 table with medium cohort mortality improvements.

Life expectancy in years, assuming retirement at 65

Male aged 65 now	22.6	22.0
At 65 for male aged 45 now	24.6	23.1
Female aged 65 now	25.9	24.9
At 65 for a female aged 45 now	28.0	25.9

	At 1 Aug 2008	At 1 Aug 2007
Expected return on assets at beginning of year		
Equities	7.9%	8.1%
Bonds	5.4%	5.4%
Other	5.0%	5.8%

The overall expected long term return on the scheme assets is a weighted average of the expected long term returns for equity securities, debt securities and other assets. Expected returns on equities have been determined by reference to the long term historical relative performance to gilt edged securities, adjusted for current conditions. Expected bond returns are derived from weighted average yields on UK government fixed interest bonds and AA rated corporate bonds to reflect the schemes portfolio. Other returns are determined relative to bank base rates.

Amounts for the current and previous four periods

	31 July 2009 £m	31 July 2008 £m	31 July 2007 £m	30 Sept 2006 £m	30 Sept 2005 £m
Defined benefit obligation	(7.6)	(7.5)	(7.2)	(7.6)	(7.4)
Scheme assets	7.0	7.5	5.8	5.5	5.5
Surplus/ (deficit)	(0.6)	-	(1.4)	(2.1)	(1.9)
Experience adjustments on scheme liabilities	-	0.1	-	(0.1)	(0.1)
Experience adjustments on scheme assets	(0.8)	(0.6)	(0.1)	0.1	0.6

Analysis of change in the defined benefit obligation

	2009 £m	2008 £m
Opening defined benefit obligation	7.5	7.2
Current service cost	0.2	0.2
Interest on obligation	0.4	0.4
Actuarial (gains)	(0.2)	-
Benefits paid	(0.3)	(0.3)
	7.6	7.5

OXFORD CAMBRIDGE AND RSA EXAMINATIONS
(An exempt charity and a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009

15. PENSION COSTS (continued)

Analysis of change in the fair value of scheme assets

	2009 £m	2008 £m
Opening fair value of scheme assets	7.5	5.8
Expected return on assets	0.5	0.4
Actuarial (losses)	(0.8)	(0.6)
Contributions	0.1	2.2
Benefits paid	(0.3)	(0.3)
	<u>7.0</u>	<u>7.5</u>

The group expects to contribute £0.19m to this defined benefit pension scheme in the year to 31 July 2010

The major categories of scheme assets as a percentage of total scheme assets are as follows

	Assets at 31 July 2009	Assets at 31 July 2008
Equities	50%	37%
Bonds	48%	37%
Other	2%	26%

Total Group pension cost for the year
Employers contributions:

	2009 £m	2008 £m
USS	1.4	1.2
CPS	1.4	1.1
RSAEB	0.1	2.0
	<u>2.9</u>	<u>4.3</u>

16. OPERATING LEASES

GROUP

At 31 July 2009 the Group had annual commitments under non-cancellable operating leases as follows

	Land & buildings		Plant, machinery & equipment	
	2009 £m	2008 £m	2009 £m	2008 £m
Commitments expiring				
In 1 year	-	-	-	0.1
Between 2 & 5 years	-	0.1	0.1	0.1
After 5 years	-	0.1	-	-
	<u>-</u>	<u>0.1</u>	<u>-</u>	<u>-</u>

17. CAPITAL COMMITMENTS

There were no (2008: £nil) capital commitments at the Balance Sheet date

OXFORD CAMBRIDGE AND RSA EXAMINATIONS
(An exempt charity and a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009

18. CONTINGENT LIABILITIES

There were no contingent liabilities as at 31 July 2009 (2008 £nil)

19. 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 Cambridge Assessment Group (or investees of the Group qualifying as related parties). However, transactions or balances with the rest of the University of Cambridge are disclosed.

The total donation to the University of Cambridge in respect of 2009 was £4.7m (2008 £nil). The balance due at 31 July was £4.7m (2008 £nil).

During the year the Group entered into transactions with Cambridge University Press ("CUP") and its subsidiaries, another Syndicate of the University of Cambridge as follows - purchase of printing services £1.27m (2008 £4.83m), sale of other services £0.04m (2008 £0.20m).

At 31 July a balance of £nil (2008 £0.21m) was due to CUP and its subsidiaries.

During the year the Group entered into transactions with the University of Cambridge, the ultimate parent undertaking, for the purchase of services amounting to £6,000 (2008 £14,000). There were no balances outstanding at 31 July 2009 (2008 £nil) in respect of these transactions.

During the year one trustee received fees of £1,393 (2008 £1,631) in respect of examination services, no other trustee or connected person received any remuneration from the company (2008 £nil). Total travel expenses of £1,767 (2008 £2,253) were payable to 5 (2008 7) trustees by the Cambridge Assessment group, of which £98 (2008 £363) were reimbursed by the OCR group. At 31 July 2009, there was £121 owing to two trustees.

20. ULTIMATE PARENT UNDERTAKING

OCR is a part of the Cambridge Assessment Group, Cambridge Assessment is a not-for-profit organisation, a department of the University of Cambridge. 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 the University of Cambridge. The consolidated accounts of the University of Cambridge may be obtained from the Cambridge University Reporter, Cambridge University Press Bookshop, 1 Trinity Street, Cambridge, CB2 1SZ.

The smallest group in which they are consolidated is that headed by Cambridge Assessment. The consolidated accounts of Cambridge Assessment may be obtained from the Cambridge University Reporter, Cambridge University Press Bookshop, 1 Trinity Street, Cambridge, CB2 1SZ.