

Cambridge University Press (Holdings) Limited  
Directors' report and financial statements  
for the year ended 31 July 2022

Registered Number 04606950



# Cambridge University Press (Holdings) Limited

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# **Cambridge University Press (Holdings) Limited**

## **Directors and advisors for the year ended 31 July 2022**

### **Directors**

Mr Andrew Chandler  
Mr Paul Colbert  
Mrs Vanessa McPhee  
Mr Peter Phillips  
Ms Catriona Sheret

### **Company Secretary**

Ms Catriona Sheret

### **Business address and registered office**

University Printing House  
Shaftesbury Road  
Cambridge  
CB2 8BS

# Cambridge University Press (Holdings) Limited

## Strategic report for the year ended 31 July 2022

The directors present their Strategic report on the affairs of Cambridge University Press (Holdings) Limited ("Holdings"), together with the audited financial statements. This annual report covers the year ended 31 July 2022.

The previous reporting period was for 15 months. This was due to a change in the financial reporting date of the Company to align the reporting year-end to that of the ultimate controlling party, the University of Cambridge. As a result, amounts presented in these financial statements are not entirely comparable.

### Business review and principal activities

As at 31 July 2022, the Company's immediate parent undertaking was Cambridge University Press & Assessment ('the Press & Assessment'). The Press & Assessment is a part of the University of Cambridge, a not-for-profit organisation. The Press & Assessment's Annual Report is published online at [www.cambridge.org/about-us/who-we-are/annual-report](http://www.cambridge.org/about-us/who-we-are/annual-report).

The principal activity of the Company is the provision of sales support, marketing, promotion and other services in a number of overseas locations, as well as acting as a holding company for a group of subsidiary companies. The principal activity of the Company is expected to remain the same for the foreseeable future. Management fee income related to this activity was £8,638,000 (2021: £10,121,000).

The Company, through the Press & Assessment's Cambridge Partnership for Education team (recharged to the Company at arm's length rates), has also continued to work collaboratively with a Ministry of Education to develop aspects of their National Curriculum. Revenue, for services provided under this contract, is recognised on a percentage of completion basis. Revenues of £1,693,000 (2021: £1,811,000) have been recognised in the year in relation to this contract which completed during the financial year.

The results of the Company are set out in the income statement on page 12 of these financial statements. The Company's turnover, from its parent and subsidiary undertakings, has reduced by 13% to £10,331,000 from £11,932,000 in the prior period. Taking account of the 15-month comparative period rather than the 12-month comparative period, pro-rated revenue has increased by 8%.

Operating profit excluding intra-group dividends received, qualifying corporate donations paid and impairment of investments has decreased to £446,000 (2021: £518,000). Overall, the Company has reported a loss of £238,000 (2021: loss of £382,000) for the year; the primary contributor to the reduced loss compared to FY21 is a lower qualifying corporate donation payment of £1,100,000 (2021: £1,200,000).

The financial position of the Company is set out in the balance sheet on page 13. The net assets have decreased by £393,000 to £26,788,000 from £27,181,000.

### Principal risks and uncertainties

#### Economic conditions

The Company is an intermediate holding company and, inter alia, is exposed to the risks affecting its principal wholly owned subsidiaries in Mexico, South Africa and India. One of the main areas of risk and uncertainty for the Company and its subsidiaries (the 'Holdings Group') lies in the scale of change in its core markets and the evolving needs of customers. New business models continue to emerge and uncertainties around these changes remain accentuated by factors such as cyclicity, the availability of funding and pricing structures.

# Cambridge University Press (Holdings) Limited

## Strategic report for the year ended 31 July 2022 (*continued*)

### Regulatory Risk

Preservation and the successful utilisation of intellectual property is at the heart of the Press & Assessment's global business and legal protections around this area are subject to regular change. The Holdings Group ('Group') must adequately protect its rights under current or future law in the jurisdictions in which it operates. In addition, it is vital that the Holdings Group adequately manages changes in legal and regulatory legislation and, in particular, Anti Bribery and Corruption legislation.

### Financial risk

The Group has no significant exposure to credit risk, as the majority of turnover is generated from within the Press & Assessment Group. As a business with global operations, Holdings Group is exposed to foreign exchange risk.

Failure to address this risk and successfully manage the associated uncertainties could impact growth, profitability, market share and reputation. Lack of growth could compromise the Holdings Group's ability to generate the surpluses needed for reinvestment in future technologies. Failure to appropriately mitigate legal and regulatory risk could give rise to financial penalties and reputational damage.

### Key performance indicators ("KPIs")

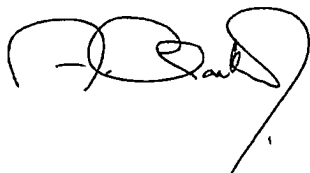
The subsidiaries and representative offices of the Company are monitored by management in line with Group procedures around monthly management reporting whereby monthly performance is compared against detailed budgets for all areas of income, expenditure and cash flow. Management takes action in response to departures from budget. In addition, the financial results are reported to, and reviewed by, the Executive Board of Cambridge University Press & Assessment.

The key performance indicators used by management are as follows:

KPIs	Year ended 31 July 2022 £'000	15-month period ended 31 July 2021 £'000	Change £'000	Change %
Turnover	10,331	11,932	(1,601)	(13)
Operating profit excluding intra-group dividends received and qualifying corporate donations paid	446	518	(72)	(14)

Given the changes in the business this year, mentioned above, and the factors described above that have driven this result, the directors consider performance against these KPIs to be acceptable.

The Strategic report has been approved and is signed on behalf of the board by:



Mr Andrew Chandler  
**Director**  
Date : 21 April 2023

# Cambridge University Press (Holdings) Limited

## Directors' report for the year ended 31 July 2022

The directors present their annual report and the audited financial statements for the year ended 31 July 2022.

### Results and dividends

The loss for the year, after tax, amounted to £238,000 (2021: £382,000).

The directors do not recommend the payment of a dividend (2021: £nil).

### Future outlook

Further changes in the composition of overseas branches is expected and the exposure to foreign exchange will remain for the foreseeable future, but, despite these, the expectation is that overall the cost base of sales support offices and related management fee income will continue to rise over time.

Since March 2020, the Covid-19 pandemic has impacted the local and global economy as businesses have been forced to cease or minimise operations. Disruptions continued throughout FY21 and FY22, though have shown some signs of stabilising. At this time, it is not possible to predict the longevity and long-term impact of this, however there may be further disruption in future financial years.

### Directors

The directors who have held office in the year and up to the signing of the financial statements, unless otherwise stated, are as follows:

Mr Andrew Chandler  
Mr Paul Colbert  
Mrs Vanessa McPhee (*appointed 9<sup>th</sup> January 2023*)  
Mr Peter Phillips  
Ms Catriona Sheret

### Company secretary

Ms Catriona Sheret

### Directors' indemnities

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

### Financial risk management

Credit risk – as all of the Company's turnover is comprised of intra-group management fee income and project- based contract work with an international Ministry of Education, the directors do not consider the Company to be significantly exposed to customer credit risk.

Within the UK, for banks and financial institutions, only independently rated parties with a minimum credit rating of 'A' are accepted. Similarly independently rated banks and financial institutions are used for overseas accounts insofar as is practicable.

Liquidity risk – the Company ensures it has sufficient funds for operations through a mixture of the use of bank overdraft facilities, use of its own cash and requiring repayment of intra-group debt.

The directors do not consider the Company to be significantly exposed to price or interest rate risk.

# Cambridge University Press (Holdings) Limited

## Directors' report for the year ended 31 July 2022 (*continued*)

### **Financial risk management (*continued*)**

The financial risk management policies set by the board of directors are implemented by the Group's finance department through adherence to and application of the relevant formal policies and procedures available on the Group's intranet.

### **Political and charitable contributions**

The Company made no political contributions during the current year.

During the year, the Company made a charge of £1,100,000 to its income statement (2021: £1,200,000) in respect of qualifying corporate donations to the Press & Assessment department of the University of Cambridge.

### **Branches outside the UK**

The Company has branches, as defined in section 1046(3) of the Companies Act 2006, outside the UK as follows:

Argentina  
Belgium  
Chile  
Colombia  
Cyprus  
Czech Republic  
Denmark  
Dubai  
Greece  
France  
Indonesia  
Italy  
Jordan  
Kenya  
Malaysia  
Netherlands  
Oman  
Pakistan  
Peru  
Philippines  
Poland  
Russia  
South Korea  
Switzerland  
Taiwan  
Thailand  
Vietnam

# Cambridge University Press (Holdings) Limited

## Directors' report for the year ended 31 July 2022 (*continued*)

### Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulation.

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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under Company law, 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 year. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.

### Directors' confirmations

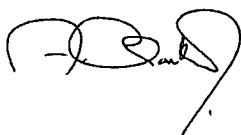
In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution that they be reappointed will be proposed at the annual general meeting.

On behalf of the board



Mr Andrew Chandler  
**Director**

Date: 21 April 2023



# **Cambridge University Press (Holdings) Limited**

## **Independent auditors' report to the members of Cambridge University Press (Holdings) Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion, Cambridge University Press (Holdings) Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 July 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: Balance sheet as at 31 July 2022; Income statement, Statement of comprehensive income and Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### **Conclusions relating to going concern**

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information.

# **Cambridge University Press (Holdings) Limited**

## **Independent auditors' report to the members of Cambridge University Press (Holdings) Limited (*continued*)**

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### **Strategic report and Directors' Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 July 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

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

### **Responsibilities of the directors for the financial statements**

As explained more fully in the Directors' Report, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to overriding controls which would otherwise appear to be operating effectively, primarily through inappropriate or unauthorised journal entries as well as management bias in accounting estimates. Audit procedures performed by the engagement team included:

# Cambridge University Press (Holdings) Limited

## Independent auditors' report to the members of Cambridge University Press (Holdings) Limited (*continued*)

- reviewing board minutes throughout the period up to the date of the auditors' report;
- inquiries with management about any instances of known or suspected non-compliance with laws and regulation;
- reviewing legal expenses incurred by the Company during the year end and up to the date of the auditors' report;
- testing, on a risk basis, journal entries that have unusual account combinations;
- testing management's assumptions made in their significant accounting estimates, in particular in relation to impairment of investments in subsidiaries, to ensure these are not indicative of management bias; and
- designing audit procedures to incorporate an element of unpredictability by auditing areas that may otherwise not have been audited owing to immateriality.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### Use of this report

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.

## Other required reporting

### Companies Act 2006 exception reporting

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

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



James Cadzow (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Watford  
21 April 2023

# Cambridge University Press (Holdings) Limited

## Income Statement for the year ended 31 July 2022

	Note	Year to 31 July 2022 £'000	15 months to 31 July 2021 £'000
<b>Turnover</b>	3	<b>10,331</b>	11,932
Administrative expenses		(10,986)	(12,640)
Other operating income		1	26
Income from shares in group undertakings		125	-
<b>Operating loss</b>	4	<b>(529)</b>	(682)
Finance income	7	448	442
<b>Loss before tax</b>		<b>(81)</b>	(240)
Tax on loss	8	(157)	(142)
<b>Loss for the financial year / period</b>		<b>(238)</b>	(382)

All results derive from continuing operations.

## Statement of comprehensive income for the year ended 31 July 2022

	Year to 31 July 2022 £'000	15 months to 31 July 2021 £'000
<b>Loss for the financial year / period</b>	<b>(238)</b>	(382)
Currency translation differences	(155)	122
<b>Total comprehensive expense for the financial year / period</b>	<b>(393)</b>	(260)

The notes on pages 15 to 29 form part of these financial statements.

# Cambridge University Press (Holdings) Limited

## Balance sheet

as at 31 July 2022

	Note	2022 £'000	2021 £'000
<b>Fixed assets</b>			
Tangible assets	9	83	45
Investments	10	20,089	20,035
		<b>20,172</b>	20,080
<b>Current assets</b>			
Debtors	11	10,346	7,630
Cash at bank and in hand		2,737	4,796
		<b>13,083</b>	12,426
Creditors: amounts falling due within one year	12	(6,467)	(5,325)
<b>Net current assets</b>		<b>6,616</b>	7,101
<b>Total assets less current liabilities</b>		<b>26,788</b>	27,181
<b>Net assets</b>		<b>26,788</b>	27,181
<b>Capital and reserves</b>			
Called up share capital	13	8,750	8,750
Retained earnings		18,038	18,431
<b>Total shareholders' funds</b>		<b>26,788</b>	27,181

The notes on pages 15 to 29 form part of these financial statements.

The financial statements on pages 12 to 29 were approved by the board of directors and authorised for issue on 21 April 2023 and were signed on its behalf by:



Mr Andrew Chandler  
Director

Date: 21 April 2023

Registered number: 04606950

# Cambridge University Press (Holdings) Limited

## Statement of changes in equity for the year ended 31 July 2022

	Called up share capital £'000	Retained earnings £'000	Total shareholders' funds £'000
Balance at 1 May 2020	8,750	18,691	27,441
Loss for the 15 month financial period	-	(382)	(382)
Other comprehensive income for the 15 month period	-	122	122
Total comprehensive expense for the 15 month period	-	(260)	(260)
<b>Balance as at 31 July 2021</b>	<b>8,750</b>	<b>18,431</b>	<b>27,181</b>
Balance at 1 August 2021	8,750	18,431	27,181
Loss for the year	-	(238)	(238)
Other comprehensive expense for the year	-	(155)	(155)
Total comprehensive expense for the year	-	(393)	(393)
<b>Balance as at 31 July 2022</b>	<b>8,750</b>	<b>18,038</b>	<b>26,788</b>

The notes on pages 15 to 29 form part of these financial statements.

# Cambridge University Press (Holdings) Limited

## Notes to the financial statements for the year ended 31 July 2022

### 1 Principal 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.

#### Statement of compliance

These financial statements have been prepared in compliance with United Kingdom Accounting Standards, including FRS102 and in accordance with the Companies Act 2006 and applicable law.

Cambridge University Press (Holdings) Limited ("the Company") is a private company limited by shares, incorporated in the United Kingdom and registered in England and Wales (registered number: 04606950), whose registered office is University Printing House, Shaftesbury Road, Cambridge, United Kingdom, CB2 8BS.

#### Basis of preparation

The financial statements are prepared on a going concern basis, which contemplates continuity of normal operations and the realisation of assets and settlement of liabilities in the ordinary course of business. In making this assessment, the Directors have considered future events and conditions for a period of no less than twelve months following the approval of these financial statements. The financial statements are prepared under the historic cost convention.

These financial statements contain information about Cambridge University Press (Holdings) Limited as an individual Company and do not contain consolidated financial information as the parent of a group. The Company has taken advantage of the exemption under Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiaries are included in the consolidated financial statements of the University of Cambridge (the ultimate parent undertaking). The consolidated financial statements of the University of Cambridge may be obtained from the address given in note 17.

The preparation of financial statements 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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

#### Exemptions for qualifying entities under FRS102

The Company meets the definition of a qualifying entity for the purpose of certain exemptions under FRS 102 and has taken advantage of the disclosure exemptions available to it in respect of its financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement, intra-group transactions and remuneration of key management personnel.

#### Foreign currency

##### *Functional and presentational currency*

The functional currency of the Company is considered to be pound sterling as that is the currency of the primary economic environment in which the Company operates.

The financial statements are presented in pound sterling and rounded to thousands.

##### *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each year end foreign currency monetary items are translated using the closing rate and non-monetary items measured at historical cost are translated using the exchange rate at the date of transaction.

# Cambridge University Press (Holdings) Limited

## Notes to the financial statements for the year ended 31 July 2022 (*continued*)

### 1 Principal accounting policies (*continued*)

#### Foreign currency (*continued*)

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Foreign exchange gains and losses are presented in the income statement within 'Administrative expenses'.

#### *Translation*

The trading results of foreign operations are translated into pounds sterling at the average exchange rates for the period. The related assets and liabilities, including goodwill, are translated at the exchange rates ruling at the year-end. Exchange differences arising from the retranslation of net investments in foreign operations and from the translation of the profits or losses at average rates are recognised in 'Other comprehensive income'. All other translation differences are taken to the income statement.

#### Revenue recognition

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

The Company recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the Company retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the Company and (e) when the specific criteria relating to each of the Company's sales channels have been met, as described below:

- Management fee income for sales support, marketing, promotional and other services are recognised in the year in which these services are rendered;
- for project-based contract work, income is recognised on the basis of progress (percentage of completion), being the ratio of costs incurred at the measurement date and the total expected costs for the programme.

#### Taxation

Taxation expense for the year comprises current and deferred tax recognised in the reporting year. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

#### *Current tax*

Current tax is the amount of income tax payable in respect of the taxable profit or loss for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantially enacted by the year end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.



# Cambridge University Press (Holdings) Limited

## Notes to the financial statements for the year ended 31 July 2022 (*continued*)

### 1 Principal accounting policies (*continued*)

#### Taxation (*continued*)

##### *Deferred tax*

Deferred tax arises from timing differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in the periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured on an un-discounted basis using tax rates and laws that have been enacted or substantively enacted by the year end and that they are expected to apply to the reversal of the timing difference.

##### **Employee benefits**

The Company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined benefit and defined contribution pension plans.

##### *Short-term benefits*

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

##### *Defined contribution pension plans*

The Company operates a number of country specific defined contribution plans for its employees. A defined contribution plan is an independently administered pension plan under which the Company pays fixed contributions and beyond that has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet.

##### *Annual bonus plan*

The Company operates a number of annual bonus plans for employees. An expense is recognised in the income statement when the Company has a legal or constructive obligation to make payments under the plans as a result of past events and a reliable estimate of the obligation can be made.

##### **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 income statement on a straight-line basis over the period of the lease.

# Cambridge University Press (Holdings) Limited

## Notes to the financial statements for the year ended 31 July 2022 (*continued*)

### 1 Principal accounting policies (*continued*)

#### **Tangible assets**

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs. Assets costing less than £5,000 per individual item are expensed in the year in which they are acquired.

Depreciation on tangible assets is calculated, using the straight-line method, to allocate the depreciable amount to their residual values over their estimated useful lives, as follows:

	Estimated life for depreciation
Fixtures, fittings, tools and equipment	3 to 10 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting year. The effect of any change is accounted for prospectively.

#### **Investments in subsidiary companies**

Investments in subsidiary companies are held at cost less accumulated impairment losses. Impairment reviews are carried out where there is an indication that an investment may have suffered an impairment loss.

#### **Financial instruments**

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

#### *Financial assets*

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financial transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting year financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the income statement.

Other financial assets are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in the income statement, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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 ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, 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.

# Cambridge University Press (Holdings) Limited

## Notes to the financial statements for the year ended 31 July 2022 (*continued*)

### 1 Principal accounting policies (*continued*)

#### Financial instruments (*continued*)

##### *Financial liabilities*

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow Group companies, are initially recognised at transaction price, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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

##### **Impairment of assets**

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

##### *Non-financial assets*

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of non-financial assets is derived from measurement of the present value of the future cash flows of the cash-generating units (CGUs) of which the asset is a part. Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

##### *Financial assets*

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

##### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

# Cambridge University Press (Holdings) Limited

## Notes to the financial statements for the year ended 31 July 2022 (*continued*)

### 1 Principal accounting policies (*continued*)

#### ***Dividends received***

Dividends are derived from the Company's wholly owned subsidiaries in the UK, South Africa and India. Dividends are included in the Company's financial statements in the year in which the related dividends are received.

### 2 Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

No critical judgements in the application of the Company's accounting policies for the year ended 31 July 2022 have been identified.

#### **Key accounting estimates and assumptions**

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

#### ***Impairment of fixed asset investments (note 10)***

Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGUs). This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

#### ***Revenue recognition (note 3)***

Sales contracts have been entered into for which project accounting is required. Judgement is required in determining a robust estimate for cost to complete and percentage of completion of these contracts which ultimately drive revenue recognition. £1,693,000 (2021: £1,811,000) of revenue has been recognised in respect of such contracts.

# Cambridge University Press (Holdings) Limited

## Notes to the financial statements for the year ended 31 July 2022 (*continued*)

### 3 Turnover

An analysis of the Company's turnover by class of business is set out below:

	Year to 31 July 2022 £'000	15 months to 31 July 2021 £'000
Management fee income	8,638	10,121
Contract revenue	1,693	1,811
Total turnover	10,331	11,932

An analysis of the Company's turnover by geographical market is set out below:

	Year to 31 July 2022 £'000	15 months to 31 July 2021 £'000
Europe	4,465	4,977
Middle East	3,070	3,749
Asia	1,802	2,069
Africa	106	131
South America	888	1,006
	10,331	11,932

### 4 Operating loss

	Year to 31 July 2022 £'000	15 months to 31 July 2021 £'000
Operating loss is stated after (crediting) / charging:		
Dividends receivable	(125)	-
Foreign exchange gains	(718)	(298)
Qualifying charitable donations	1,100	1,200
Depreciation	25	31
Hire of other assets – operating leases	443	592
Auditors' remuneration – audit of financial statements	21	21

# Cambridge University Press (Holdings) Limited

## Notes to the financial statements for the year ended 31 July 2022 (*continued*)

### 5 Remuneration of directors

All directors are executives of the immediate parent company, Cambridge University Press & Assessment. All directors are remunerated by Cambridge University Press & Assessment, without recharge, as their principal roles are those as executives of that entity.

No directors were accruing retirement benefits under defined benefits schemes (2021: none).

### 6 Staff numbers and costs

The average monthly number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Year to 31 July 2022 No of employees	15 months to 31 July 2021 No of employees
Marketing and administration	114	124

Staff costs are included within administrative expense. The aggregate payroll costs of these persons were as follows:

	Year to 31 July 2022 £'000	15 months to 31 July 2021 £'000
Wages and salaries	5,021	5,553
Social security costs	772	801
Other pension costs (see note 15)	143	180
	5,936	6,534

### 7 Finance income

	Year to 31 July 2022 £'000	15 months to 31 July 2021 £'000
On loans to subsidiary undertakings	447	441
External	1	1
	448	442

# Cambridge University Press (Holdings) Limited

## Notes to the financial statements for the year ended 31 July 2022 (*continued*)

### 8 Tax on loss

	Year to 31 July 2022 £'000	15 months to 31 July 2021 £'000
<i>Current tax</i>		
Foreign tax	168	167
Total current tax	168	167
<i>Deferred tax</i>		
Prior year adjustments to deferred tax	(10)	-
Origination and reversal of timing differences	(1)	(25)
Total deferred tax	(11)	(25)
Tax on loss	157	142

#### Factors affecting the tax charge for the year / period

The tax charge for the year / period is higher (2021: higher) than the standard rate of corporation tax in the UK of 19.0% (2021: 19.0%). The differences are explained below.

	Year to 31 July 2022 £'000	15 months to 31 July 2021 £'000
<b>Reconciliation of tax charge</b>		
Loss before tax	(81)	(240)
Expected tax credit at 19.0% (2021: 19.0%)	(15)	(46)
Effects of:		
Gift aid timing differences	33	20
Prior year adjustments to deferred tax	(10)	-
Recognition of previously unrecognised deferred tax asset	-	(14)
Overseas tax	95	90
Expenses not deductible for tax purposes	6	25
Income not subject to tax	(24)	-
Origination and reversal of timing differences	(1)	-
Irrecoverable withholding taxes	73	67
<b>Total tax charge for the year / period</b>	<b>157</b>	<b>142</b>

# Cambridge University Press (Holdings) Limited

## Notes to the financial statements for the year ended 31 July 2022 (*continued*)

### 8 Tax on loss (continued)

#### Deferred tax asset

	2022 £'000
At 1 August 2021	28
Prior year adjustment	(10)
Origination and reversal of timing differences	(1)
<b>At 31 July 2022</b>	<b>17</b>

#### Analysis of deferred tax asset

	Recognised		Unrecognised	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Other short-term timing differences	17	28	-	-
<b>Total deferred tax</b>	<b>17</b>	<b>28</b>	<b>-</b>	<b>-</b>

The deferred tax asset is recorded within Other debtors (see note 11).

#### Factors that may affect future, current and total tax charges

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25% with substantive enactment taking place on 24 May 2021. Deferred tax assets and liabilities are measured at the rates that are expected to apply in year of the reversal within each jurisdiction.



# Cambridge University Press (Holdings) Limited

## Notes to the financial statements for the year ended 31 July 2022 (*continued*)

### 9 Tangible assets

	Fixtures, fittings, tools and equipment £'000
<b>Cost</b>	
At 1 August 2021	173
Additions	68
Disposals	(15)
Foreign exchange	12
<b>At 31 July 2022</b>	<b>238</b>
<b>Accumulated depreciation</b>	
At 1 August 2021	128
Charge for the year	25
Disposals	(7)
Foreign exchange	9
<b>At 31 July 2022</b>	<b>155</b>
<b>Net book value</b>	
<b>At 31 July 2022</b>	<b>83</b>
<b>At 31 July 2021</b>	<b>45</b>

# Cambridge University Press (Holdings) Limited

## Notes to the financial statements for the year ended 31 July 2022 (*continued*)

### 10 Investments

	Subsidiary undertakings £'000	Joint ventures £'000	Total £'000
<b>Cost</b>			
At 1 August 2021	28,153	537	28,690
Additions	54	-	54
<b>At 31 July 2022</b>	<b>28,207</b>	<b>537</b>	<b>28,744</b>
<b>Provisions</b>			
At 1 August 2021	(8,118)	(537)	(8,655)
<b>31 July 2022</b>	<b>(8,118)</b>	<b>(537)</b>	<b>(8,655)</b>
<b>Net book value</b>			
<b>At 31 July 2022</b>	<b>20,089</b>	<b>-</b>	<b>20,089</b>
At 31 July 2021	20,035	-	20,035

The directors consider the carrying value of the investments to be supported either by their underlying assets or by their present value determined through the use of discounted cash flow calculations.

Details of the investments follow on the next page.

# Cambridge University Press (Holdings) Limited

## Notes to the financial statements for the year ended 31 July 2022 (continued)

### 10 Investments (continued)

	Registered office and country of incorporation	Principal activity	Class and percentage of shares held
<b>Subsidiary undertakings</b>			
Cambridge Learning Limited	University Printing House, Shaftesbury Road, Cambridge, CB2 8BS, UK	Non-trading, dormant	39,000 "A" ordinary £0.00001 shares and 26,000 "B" ordinary £0.00001 shares – 100%
Cambridge University Press & Assessment India Private Limited (formerly Cambridge University Press India Private Limited) <sup>1</sup>	314 to 321, 3rd Floor, Plot No. 3, Splendor Forum, Jasola District Centre, Jasola, New Delhi - 110025, India	Academic and educational book publisher & distributor for India	1,522,890 ordinary INR10 shares – 100%
Cambridge University Press South Africa Proprietary Limited	Nautica Building, The Water Club, Beach Road, Granger Bay, 8005, South Africa	Academic and educational book publisher & distributor for South Africa	1,000 ordinary ZAR1 shares – 74.91%
Cambridge Knowledge (China) Limited	19th Floor, Printing House, 6 Duddell Street, Central, Hong Kong	Sales support office for the Chinese market	1 ordinary HK\$1 share – 100%
ELT Trading SA de CV <sup>1</sup>	Insurgentes Sur 1196 piso 10 Colonia Tlacoquemecatl del Valle, C.P. 03200, Delegacion Benito Juarez, Mexico	Distribution company (Mexico and Latin America)	220,000,000 ordinary Peso 1 shares – 100%
Editorial Edicambridge Cia Ltda <sup>1</sup>	Av. De los Granados E14 - 606 Eloy Alfaro, Oficina 2, Piso 3, Quito, Ecuador	Sales support office for the Ecuadorian market	10,000 ordinary US\$1 shares – 100%
Cambridge University Press (Greece) MEPE	Municipality of Koropi, 3 Meteoron Street, 19400, Greece	Sales support office for the Greek, Cypriot & Mediterranean market	600 ordinary €30 shares – 100%
Oncoweb Limited	University Printing House, Shaftesbury Road, Cambridge, CB2 8BS, UK	Non-trading intermediate holding company	2,500 £1 ordinary A and 2,500 £1 ordinary B shares – 100%
Cambridge University Press Satış ve Dağıtım Ticaret Limited Şirketi	Sahrayıcedit Mah, Guzide Sok, No: 14/10, Kadikoy, Istanbul, Turkey	Distribution company for Turkey	280,000 ordinary TRY 25 shares – 100%
Cambridge University Press Nigeria Limited <sup>1</sup>	Ampak Plaza, Plot 3, Otunda Jobi Fele Way, Central Business District, Alausa Ikeja, Lagos, Nigeria	Educational book publisher & distributor for Nigeria	10,000,000 ordinary NGN1 shares – 100%
Cambridge Daigaku Shuppan KK	1-1-1, Minami Aoyama, Minato-Ku, Japan	Sales support office for the Japanese market	100 Common JPY100,000 shares – 100%
Cambridge University Press Turkey Satış Destek Limited Şirketi	İçerenköy Mahallesi Üsküdar-İçerenköy Yolu Cad. No:10/11 Ataşehir/Istanbul	Sales support office for the Turkish market	40,000 ordinary TRY25 shares – 100%
Cambridge University Press – Qatar LLC	Office #45, HUB Business Center, 2 <sup>nd</sup> Floor, Block E, Al Mirqab Mall, Al Nasr Street, Doha, Qatar	Sales support office for the Qatar market	QAR 160,000 – 100%
Cambridge University Press Singapore Private Limited	103 Penang Road, #05-06/07, Vision Crest, Singapore, 238467	Sales support office for the Singapore market	500,000 ordinary SGD1 shares – 100%
Cambridge University Press Malaysia Sendirian Berhad	Suite 13.03, 13 <sup>th</sup> Floor, Menara Tan & Tan, 207 Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia	Sales support office for the Malaysian market	250,000 ordinary RM1 shares – 100%

<sup>1</sup> 1% or less indirectly held through Oncoweb Limited.

# Cambridge University Press (Holdings) Limited

## Notes to the financial statements for the year ended 31 July 2022 (continued)

### 10 Investments (continued)

	Country of incorporation	Principal activity	Class and percentage of shares held
Cambridge University Press Egypt LLC	1st Floor, Red-Con Building, New Cairo Financial Center (140), Zone 1, Banking Road From 90th Street, New Cairo	Sales support office for the Egyptian market	Share capital LE 799,999 – 100% (one member limited liability company)
Cambridge University Press Vietnam Company Limited	5 <sup>th</sup> Floor, YOCO Building, 41 Nguyen Thi Minh Khai Street, Ben Nghe ward, District 1, Ho Chi Minh City, Vietnam	Sales support office for the Vietnam market	Share capital VND 750,000 – 100% (one member limited liability company)
<b>Joint venture</b>			
Cambridge-Obeikan Company Limited	PO Box 43158, Riyadh 11561, Saudi Arabia	Academic and educational book distributor	3,000 ordinary SAR1,000 shares – 50%

There are no contingent liabilities or capital commitments within the joint venture.

### 11 Debtors

	2022 £'000	2021 £'000
Amounts owed by group undertakings	9,624	7,286
Other debtors	316	224
Prepayments and accrued income	406	120
	<b>10,346</b>	<b>7,630</b>

Amounts owed by group undertakings are repayable on demand and subject to various interest rates.

### 12 Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Amounts owed to group undertakings	3,671	2,793
Taxation and social security	323	328
Accruals and deferred income	2,473	2,204
	<b>6,467</b>	<b>5,325</b>

Amounts owed to group undertakings are payable on demand and subject to various interest rates.

No creditors are secured.

# Cambridge University Press (Holdings) Limited

## Notes to the financial statements for the year ended 31 July 2022 (*continued*)

### 13 Called up share capital

	2022 £'000	2021 £'000
<b>Authorised, allotted and fully paid</b>		
87,500,002 (2021: 87,500,002) Ordinary shares of £0.10 each	8,750	8,750

### 14 Commitments

Total commitments for assets under non-cancellable operating lease contracts are as follows:

	Land and buildings & Other 2022 £'000	Land and buildings & Other 2021 £'000
<b>Payments due:</b>		
No later than 1 year	245	268
Later than 1 year and not later than 5 years	153	230
Later than 5 years	-	6
	398	504

### 15 Pension schemes

A number of the Company's representative offices operate defined contribution schemes. The charge for the year was £143,000 (2021: £180,000). There were no contributions outstanding at the year-end (2021: £nil).

### 16 Related party transactions

In accordance with exemption conferred by FRS102, Cambridge University Press (Holdings) Limited has not disclosed related party transactions with wholly-owned subsidiaries. There are no related party transactions not covered by this exemption to disclose.

### 17 Ultimate parent company and parent undertaking of a larger group

The Company's immediate parent undertaking is Cambridge University Press & Assessment which is a part of the University of Cambridge, a not-for-profit organisation.

The smallest group in which the results of the Company were consolidated are those of Cambridge University Press & Assessment whose principal place of business is University Printing House, Shaftesbury Road, Cambridge, CB2 8BS.

The ultimate controlling party and largest group in which the results of the Company are consolidated is that of the University of Cambridge. The consolidated financial statements of this organisation are published in the Cambridge University Reporter, which is available to the public and may be viewed at: <http://www.cam.ac.uk/annual-report>.