



Annual Report & Accounts

for the year ended 30 April 2009

1584 • 2009

425 YEARS OF CAMBRIDGE
PRINTING AND PUBLISHING



CAMBRIDGE
UNIVERSITY PRESS

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for the year ended 30 April 2009



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UNIVERSITY PRESS

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Executive summary

Against a background of intense turmoil in the world's main markets, the Press delivered a remarkable performance in the financial year ending 30 April 2009.

- **Sales grew by 14.3%**, from £179.5 million to £205.1 million, for a seventh consecutive year of revenue growth.
- **The ELT business grew by 25%**, a stellar result from a focal point of our strategy.
- **Academic and Professional publishing held up well**, despite fears of major cutbacks in institutional libraries, though there was evidence in some quarters of a shift from the printed to the electronic medium.
- **The Press's currency diversification strategy paid off**, as the US dollar rose 19.8% against Sterling, from a 12-month average of \$2.00 to \$1.67. Since 2003, the focus has been on developing business in US dollar-related economies, from which the majority of revenues now flow.
- **Underlying growth was 6.2%**, representing income from existing businesses expressed in constant currency terms. The previous year's growth rate was 9.5%. A two-year compound growth figure of 16.3% relates very favourably to our competitors, among whom one of the strongest continued to be Oxford University Press (with comparative figures of 4.8%, 5.4% and 10.5%).
- **Net incoming resources from operations rose to £3.4 million**, again representing a seventh consecutive year of growth.

However, not everything in the garden was rosy.

- The Press's pension fund portfolios saw fund deficits rising by £17.8 million by 30 April 2009, in the face of a stock market collapse. The Press finished the year with funds declining by a net £14.1 million, but nevertheless in a robust financial condition.
- Cambridge Printing Services were significantly reduced in scale, with the consequent loss of a number of jobs.

There were three key developments in the Press's activities during the year.

- The transformation of the Press into a digital publisher for the 21st Century continued apace, with a growing share of revenues now derived from digital media including our 239 journals, online book series, and learning products from Cambridge–Hitachi. New acquisitions such as *English 360* will further boost this business stream.
- Several smaller Press businesses performed splendidly, notably Australia, Brazil, China, India, South Africa and Spain. Shortly after year-end, the Indian business recorded three years as a Press subsidiary, during which time it has more than doubled in size.
- Finally, the Press has received widespread recognition at home and abroad for the many and varied initiatives undertaken by its staff to support community projects. These activities serve to confirm our presence as committed members of those communities, and to raise the profile of the Press and our University as world leaders in education and scholarship.

Chief Executive's overview

Business performance

The past year will go down in economic history as a year of intense turmoil in the world's principal markets, and particularly in the UK and USA, which together account for more than half the global revenues of Cambridge University Press. Against that background, the Press delivered a remarkable performance in the financial year ending April 2009.

- **Sales grew by 14.3%**, from £179.5 million to £205.1 million, for a seventh consecutive year of revenue growth.
- **The ELT business grew by 25%**, a stellar result from a focal point of our strategy.
- **Academic and Professional publishing held up well**, despite fears of major cutbacks in institutional libraries, though there was evidence in some quarters of a shift from the printed to the electronic medium.
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- **Net incoming resources from operations rose to £3.4 million**, again representing a seventh consecutive year of growth.

In common with most other businesses, not everything in the garden was rosy, as the stock markets collapsed and drove down the values of equities within the Press's pension fund portfolios. This resulted in the fund deficits rising by £17.8 million by 30 April 2009, though the world's stock markets have recorded a welcome degree of recovery since then. With the additional benefit of some stern



action taken to curtail American post-retirement pension and healthcare plans, and with a positive contribution from currency gains on certain corporate assets, the Press finished the year with funds declining by a net £14.1 million, but nevertheless in a robust financial condition.

More difficult issues related to the Press's printing business, particularly in the year in which it recorded its 425th year of continuous activity. In January we announced that Cambridge Printing Services was to be significantly reduced in scale, with the consequent loss of a number of jobs. This was a necessary move: the Press's overseas customer-base had grown, accompanied by an increased demand for books to be manufactured closer to the consumers. The benefits of local printing were clear: faster delivery lead-times; reduced transport costs; reduced carbon emissions from transportation; and, in some cases, lower manufacturing costs than were possible in the UK.

The local media made much of the earlier decision by Cambridge Assessment to develop an 'in-plant' printing facility at its own premises in Duxford, but in reality this had little effect on a book manufacturing business whose time had come. Our printing business has survived longer than any other, by evolving with the times and by adapting to advances in technology.

With the UK printing industry in sustained decline across a broad front, and with the recession taking hold, the news for our printers was understandably unwelcome. The cutbacks were undertaken by the management team with the greatest regret, but in the knowledge that there was now no recovery from the losses that had been incurred in that sector of the business. I take this opportunity to applaud the businesslike realism which eventually prevailed in negotiations between staff representatives and the management team. They reached a good settlement, significantly superior to the terms offered anywhere else in the printing industry. We recognise that many skilled colleagues have now had to leave us and, quite probably, the printing industry. We thank them for their loyal service and we wish them all success in developing new careers.

New media

The digital revolution has unquestionably taken hold. Online Journals are now standard fare and 75% of our top 20 ELT titles include an e-component. Digital elements are being specified in virtually every new educational curriculum, and even scholarly monographs are now increasingly 'virtual'. In the decade since the Press started to store every new publication in a digital archive, thousands of works have been made available as e-books, through the *Cambridge eBookstore*. We have also brought back to life thousands of 'OP' (out-of-print) titles by filing them as digital scans and reproducing them on demand. And, more recently, notable successes have been achieved with *The Historical Statistics of the United States* and with digital collections such as *Cambridge Companions Online* and *Cambridge Histories Online*. Like it or not, the digital bandwagon is rolling and university libraries worldwide see this as an effective form of publishing. From the Press's viewpoint, online delivery represents an opportunity to reach a vast global market, so is a welcome development – with the *caveat* that developing and maintaining robust and responsive digital platforms is an expensive proposition, with implications for the allocation of scarce capital resources. Fortunately, the Press is well placed to deal with infrastructural demands of this kind.

Adding to its stable of products, the Press has made two small but significant acquisitions. As we reported in last year's Annual Report, *Archive Editions* was acquired in August 2008 and will offer researchers valuable archival materials – online as well as in print – relating to the development of national boundaries and legal frameworks in the Middle and Far East, *inter alia*. The Press also acquired a stake in *English 360*, an electronic platform geared to English language teaching, offering useful capacity for social networking, which should prove attractive to students and teachers alike. Meanwhile, back office systems were being brought up to speed, with new software to facilitate online peer reviews and authoring.

Cambridge and its people

It is pleasing to note that, during our University's 800th Anniversary year, the Press was able to contribute £1.3 million in cash and other support for University activities.

2009 is also a year of other great anniversaries. For the Press itself, it is the 500th anniversary of the accession of our founding father, King Henry VIII; the 475th anniversary of the Letters Patent by which Henry authorised the establishment of a press in Cambridge; and the 425th year of continuous printing and publishing by the University Press. We have been very pleased to join with Trinity College in a musical tribute to Henry VIII, and these anniversaries have given us cause to celebrate more widely the unique history of the Press as the oldest surviving publisher in the world and to reflect on the lessons of longevity and survival over so many years of tumultuous change.

Anniversaries also provide us with wonderful opportunities to bring to the attention of the global public the forward-looking way in which the Press is evolving to meet the expectations of a "born digital" community of students and scholars. As publishers of the splendid *Correspondence of Charles Darwin*, we have not failed to note that survival and evolution are intimately linked. In this momentous year for Darwin, it has been a delight for us to launch new publications and to republish older editions relating to Darwin's work, and to join with the Darwin Correspondence Project team, the Cambridge University Botanic Garden, the Fitzwilliam Museum and other specialists in celebrating his life in other ways.

The Press's flagship building and its spiritual home, the Pitt Building, provides the University and the City with much-used conference and exhibition space. We are delighted that its facilities, and the professionalism with which it is operated, have received due recognition by being accredited by the Conference Centres of Excellence.

Further afield, the Press supported a 2007 tour of Brazil, Argentina and Uruguay by Britten Sinfonia, an Associate Orchestra of the University. This tour brought fine music to the Press's authors, customers, distributors, suppliers and a range of business contacts, as well as to its own staff and to the University's alumni in these far-off places. In recognition of this – and in competition with some of the greatest names in the business and arts communities in Britain – the Press and Britten Sinfonia won the nation's Arts & Business International Award in November 2008. We are proud of the impact we have achieved in supporting the arts in East Anglia, and in making a recognised difference in our overseas markets.

Investment in our people is a significant element of the Press's own culture. In 2008, a Leadership Development Programme was initiated, to groom the next generation of leaders in this unusual business that is the University Press – 'unusual' because it involves a delicate balance between competing with fiercely commercial public companies, while constantly delivering the learning and sometimes arcane scholarship that is expected of a true university press. Such skills and sensitivities are necessarily built from within, complemented by a wealth of imported ideas from external recruits, as the business grows.

Among our senior people, there were several departures and retirements from Cambridge Printing Services Ltd, notably Alan Dunger, Andy Harvey, Graham Risebrow, Duncan Roeser and David Royal. To all of them, and to Cristina Martinez, who left us after a lengthy and successful period as Director of our Iberian Branch, we offer our sincere thanks and best wishes. And to Peter Fox, University Librarian, whose good counsel we have been fortunate to enjoy over many years, we wish a restful yet productive retirement.

We welcomed Michael Peluse as the Press's new Director in Iberia, Dr Nigel Richardson as a Syndic with particular expertise in education, and Mrs Sherry Coutu as an external member of the Finance Committee. Finally, Professor Tony Minson was named by the Vice-Chancellor as her Deputy, to succeed Dr Gordon Johnson as Chairman of the Press Syndicate from October 2009. We look forward to working with Professor Minson in further building this great organisation. Next year's Annual Report will include proper reflection on The Johnson Years!

In closing, my Press Board colleagues and I offer our sincere thanks to our Syndics and staff for their efforts and fortitude during this period of economic recession, and for their understanding and support for the hard decisions that we have had to take. There is a momentum behind the Press which, with continued goodwill and hard work, will see the Press emerge from this turmoil stronger than ever.

Stephen R. R. Bourne

University Printer and Chief Executive

Publishing

Publishing programme

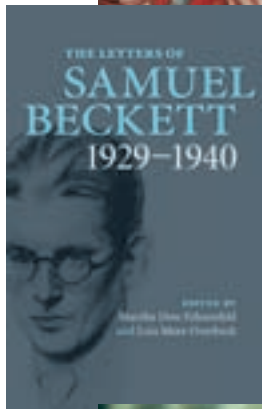
Academic and Professional

The financial year ending April 2009 was in general a very satisfying one for the Academic and Professional publishing groups, with global sales of both books and journals rising by 15%, to reach a combined total of over £84 million.

Excellent performances in the EMEA region (Europe, Middle East and Africa), where sales grew by 13% to £20.9 million, and in the Asia-Pacific region, where sales grew by 38% to £9.2 million, compensated for considerable difficulties in the North American market where dollar sales actually fell by 9% to \$45.6 million. That regional decline was mitigated in the global figures by the strengthening of the dollar against the pound during the year. The EMEA region accounted for 36% of our overall academic book sales, the Americas 48%, and the Asia-Pacific region 16%.

The global output of new publishing was almost identical to that in the previous year: 1,394 new Academic and Professional titles were issued, compared with 1,401 in the last financial year. Scientific, Technical and Medical titles numbered 456 or 33% of this output, as opposed to 414 titles and 30% the year before (which had been a Research Assessment Exercise year, a cyclical event that tends to boost the output of research work in the Humanities and Social Sciences). In addition to this new scholarship, an unprecedented 2,063 items from the Cambridge backlist were reissued via the 'Lazarus' programme of short-run and on-demand paperback reprints, a cohort of publishing that now represents 16% of academic book revenues. The Press's electronic publications also expanded significantly, although still representing a small proportion of the whole (see below).

In sterling terms, overall revenues in the **Humanities and Social Sciences** grew by 13% to £36.4 million. Sales grew by 13% in EMEA to £13.2 million, and by 33% in Asia-Pacific to £5.3 million, but in the Americas sales in local currencies fell by 9%, to \$29.9 million, although the favourable exchange rate movement triggered a 9% increase in sales expressed in sterling, to £17.9 million. In subject terms, this was a year to celebrate some of the Syndicate's traditional



strengths, with literature and drama (up 27% to £4.68 million), linguistics (up 18% to £2.53 million), economics and its newer ally management (up 18% to £2.98 million) and history (up 18% to £6.51 million) all performing particularly strongly: history sales were bolstered by the significant success of *Cambridge Histories Online*.

Pressures on the acquisitions budgets of major research libraries will intensify as the consequences of the global recession feed through in declining public expenditure and shrinking private endowments. Books in the Humanities and Social Sciences are highly vulnerable to changes in the acquisition strategies of university libraries (with scientific serials being the major priority everywhere), although the scholarly monograph remains an obstinately resilient form of publication, to which the Press Syndicate remains committed, for reasons both scholarly *and* financial.

Many individual Press books won prizes and awards in the course of the year, and these are listed later in the Report. Among the most notable publications were *The Letters of Samuel Beckett 1929–1940*, edited by Martha Dow Fehsenfeld and Lois More Overbeck, and *The Cambridge Companion to Bob Dylan*, edited by Kevin Dettmar, both of which were critical and commercial successes. Major works in history included *Charlemagne* by Rosamund McKitterick and *Rome's Cultural Revolution* by Andrew Wallace-Hadrill. The strong programme at the intersection of policy and theory included *The Birth of the Euro* by Otmar Issing and *Economic Development and Transition* by Justin Yifu Lin. *International Business Strategy* by Alain Verbeke was one of the most important textbooks so far published within the burgeoning list in management.

New Cambridge Histories included *The Cambridge History of the Byzantine Empire* and the fourth volume of *The Cambridge History of Turkey*. Among other major works of reference was *The Cambridge World History of Medical Ethics*. At the very end of the year the Press published *Cosmopolitan Islanders* by Richard J. Evans. This was a much-extended 270-page version of Professor Evans' Inaugural Lecture as Regius Professor of Modern History, and was produced in precisely nine weeks and six days from start to finish to coincide with delivery of the Lecture itself.

Global sales of book publishing in **Science, Technology and Medicine (STM)** grew by 17% to £20.9 million. Sales grew by 13% in EMEA to £7.65 million and by 45% in Asia-Pacific to £3.93 million, but were not immune to the major recessionary pressures in North America, falling in local currencies by 9% to \$17.17 million. In subject terms, sales of titles in the life sciences reached the global total of £3 million for the first time, and mathematics and engineering

likewise reached new record sales levels of £4 million and £2.34 million respectively. Medicine also expanded strongly, with the various works of Stephen Stahl helping to drive global growth of 36% to £4.44 million.

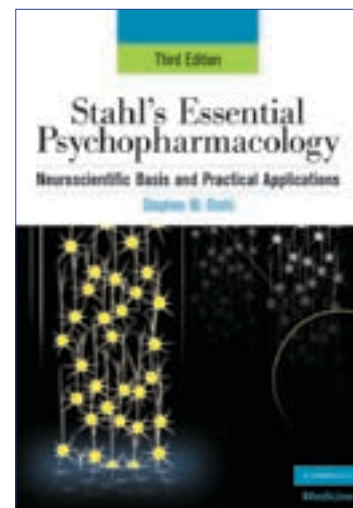
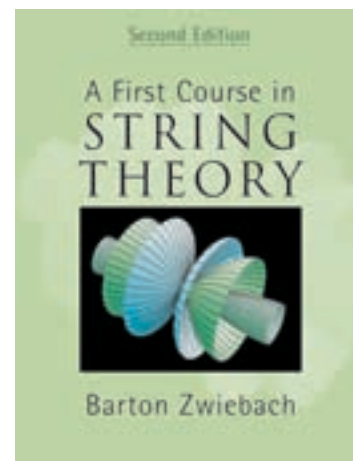
The principal new publications of the year in STM included *Modern Coding Theory* by Tom Richardson and Rüdiger Urbanke, *Analytical Combinatorics* by Philippe Flajolet and Robert Sedgewick, and a second edition of *A First Course in String Theory* by Barton Zwiebach.

The success of the STM programme was a pleasing vindication of the Syndicate's overall strategy of investing in its science publishing over the past five years, and further double-digit growth is expected during the year to come: Asian markets in particular will continue to drive this expansion. The Press recently said farewell to the retiring Academic Sales and Marketing Director for Asia-Pacific, Peter Langworth, who has done as much as any single individual in recent years to drive sales growth in these exciting emerging markets.

As noted in many previous Annual Reports, the academic offerings of Cambridge University Press remain unique in their scale, range and depth. The publishing programme likewise remains profoundly serious, occasionally even austere. Refereeing standards are still among the very highest in the academic world (and recognized as such): in this context the overall 'quality assurance' function of the Press Syndicate is vital to the public standing and continued intellectual excellence of the publication programme.

The electronic agenda continues to grow in importance every year, even though there is still no sign of a decisive 'tipping point' in academic communication which might entail a transfer in the world of 'books' from print to electronic to replicate that of academic serials. This is especially true of the Humanities and Social Sciences sector. The current global recession may accelerate certain trends, and in recent months some major American University Presses (notably Michigan) have announced radical shifts in their overall publication models. Later this year Cambridge will launch Cambridge Books Online, a new platform for the electronic consumption of, initially, several thousand research works, and this will complement other specific electronic offerings launched by the Syndicate in recent years, including the highly successful partnership with Justis Publishing Ltd of London, responsible for the online version of the International Law Reports.

Another important development was the acquisition in summer 2008 of Cambridge Archive Editions, a new imprint based upon the Buckinghamshire-based publisher Archive Editions, a small but distinguished provider of archival





documentary material focusing on the history and geography of the Middle East and Asia. The acquisition will make a significant addition to the Press's reference holdings, and will further catalyse the transition from print to online distribution.

The external market conditions for the coming year remain very challenging, throughout the developed world. In the last financial year Academic and Professional books performed more strongly on more fronts than many had anticipated, and this balanced publishing programme remains central to the Press's overall publication strategy. The North American situation is likely to remain tough for at least another eighteen months, and a chief concern is the extent to which the European market replicates its American counterpart. Thus far, both Europe and Asia have been pleasingly robust. The Press's primary job is to ensure that the suitability, accessibility and quality of Cambridge content remains second to none, in whatever form it is delivered to the reader. The financial year 2009 was a largely cheering endorsement that, after 425 years, this is still something that we do pretty well.

Cambridge Journals had a remarkable year with revenues increasing by 20% to £28 million globally and the number of journals growing to 239 (adding 10 titles). Among the major publishing contracts won by the Press were three titles which are leaders in their respective fields: *Journal of Finance and Quantitative Analysis* on behalf of the Foster Business School, University of Washington; *World Politics* for the Princeton Institute for International and Regional Studies, Princeton University; and *The Antiquaries Journal* on behalf of the Society of Antiquaries of London.

While it continues to be a tough market in which to launch new journals, there will be further opportunities in core markets and in developing areas. Two new journals have consolidated the Press's position as the leading publisher in politics and international relations: *International Theory* and *European Political Science Review* with the European Consortium for Political Research. Two new publishing areas were initiated in the *Journal of Developmental Origins of Health and Disease* (with the International Society for Developmental Origins of Health and Disease) and the *International Journal of Microwave and Wireless Technologies* (in association with the European Microwave Association).

The majority of journals have an association with scientific, academic or learned societies. The Corporate Publishing Partnership with the International Psychogeriatric Association was renewed for ten years, offering further opportunities for books, journals and online products.

Cambridge Journals again performed well in the recent Thomson Reuters



2008 Journal Citation Reports® (JCR), also known as Impact Factors, with *Behavioral and Brain Sciences*, *Development and Psychopathology*, *International Organization and Microscopy and Microanalysis* all ranked as number one in their categories and outperforming many competitors.

A huge digitisation project was completed involving some 170 journals and 390,000 articles, presenting back issues that were previously unavailable online. The Press can now offer online versions of all its journals, starting from volume 1, with some dating back to the late 1800s. The *Cambridge Collection* is available as a whole or in constituent subject parts. A national site licence for the whole of Germany has been secured for the Cambridge Journals Digital archives.

Cambridge Journals Online (CJO) technology is also being used to host third-party journals as the first stage in developing a new business opportunity. In addition to the development of Web 2.0 functionality, offering social networking features, CJO has launched the Rightslink permissions service, which provides from the journal article a 'point and click' permissions request service supplied by the Copyright Clearance Centre.

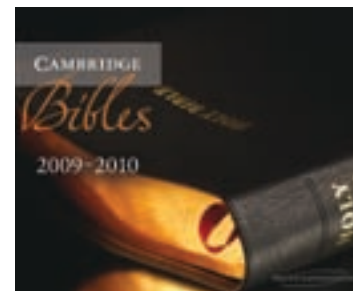
During the coming year there will be increasing activity in India and China, with large consortia deals, together with a local editorial and publishing presence in the wider Asia region, especially in China.

Although the Press is a significant journals publisher, it occupies a relatively small part of a library's budget, but offers one of the best-value services.

The development of the **Bibles and Prayer Books** list continued and the range of Bible versions published by the Press was once again enhanced. Publications included the Press's first editions of the *English Standard Version*, with notable success: the introduction of a compact Pitt Minion edition and a Wide Margin edition generated sufficient momentum to place the *ESV* second only to the *King James Version* in terms of sales value. Each of the three major market segments for Cambridge Bibles experienced growth: the UK by 8% and North America by 15%, while sales of custom editions to other organisations or societies grew by 41%. Overall, sales revenue increased by 17% to over £1.2 million.

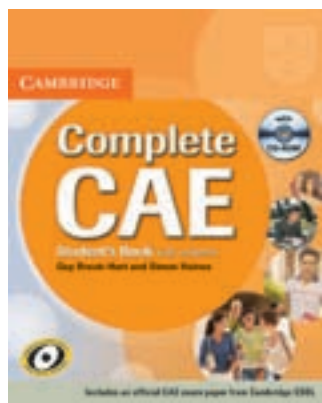
Cambridge Learning

The turbulence of the financial situation in the year ending April 2009 had a huge potential impact on the markets for English Language Teaching (ELT) and Education. Within this context, the excellent financial results for Cambridge Learning indicate a robust business that has so far weathered the economic volatility and delivered an exceptional outcome for the fifth consecutive year, with





Kid's Box DVD



sales of £89 million, and a pleasing 22% growth over last year.

Revenue from the EMEA region accounted for 48% of total Learning revenue, the Americas for 27% and Asia-Pacific for 25%. ELT, which represents about 80% of the total Learning business, showed 26% growth on the previous year. Education, which represents the other 20%, performed above the industry average, growing by 9%. The most significant increase (36%) came from the Americas, followed by 27% from Asia-Pacific and 12% from EMEA. Any sales growth, however, is dependent upon new products, and the role of the publishing centres in the EMEA region in particular remains critical: 61% of total revenue is attributable to products generated within EMEA, 27% from the Americas and 12% from Asia-Pacific. New publishing output reached a record of 1302 ISBNs, including non-print items.

ELT further strengthened its leading position in courses for adults by a revenue increase of 27%. Examinations and Exams Practice Tests performed particularly strongly, showing an increase of 30% and 35% respectively. The principal exam publications included a new course, *Complete CAE*; support material for the 'KET for Schools' exam; and four sets of practice tests for *First Certificate in English* and *Certificate in Advanced English*.

With 13% revenue increase in the world-renowned Grammar list, the Press remains the market leader. The publication of the *Cambridge English Skills Series*, a four-level skills course consisting of 24 titles, as well as *Present Yourself*, a two-level skills course, added depth to the existing range and resulted in a pleasing 56% increase in ELT skills publishing. The list in English for Academic Purposes has also shown a significant increase of 50%, attributable mostly to the publication of additional levels in several series, especially *Making Connections*, *Writers at Work*, *Discovering Fiction* and *Academic Encounters*. English for Special Purposes (ESP) grew by 21%. That list, recognised for its range and depth, was further expanded by the launch of a new series of ESP short courses, focusing on job-hunting, nursing, engineering and the media, as well as a CD-ROM for maritime English. *Ventures*, an American English course for adult education, was expanded to include a Basic level and a Civics component.

For the past three years ELT has consistently increased both sales and market share in the schools sector; this was again confirmed by the 31% growth achieved in the last year. The success of the adaptation units in the regions and the co-publishing strategy in China contributed significantly to the increased market share not only of the adult list but also of the schools segment, through developing local editions of flagship products such as *English in Mind*, *More!*, *Kid's Box*, *Connect*

and *Primary Colours*. Also noteworthy this year was the launch of 24 titles in the *Cambridge Discovery Readers* series developed specifically for teenagers.

The Interactive DVD of the *Kid's Box* series for primary schools and the *Professional English Online* website were shortlisted for the prestigious ELTON (British Council Innovations) Awards. *Good Practice* won the David Riley award, and three of the *Cambridge English Readers* were shortlisted for the Extensive Reading Foundation's Language Learner Literature Awards. *Listening in the Language Classroom* won the Ben Warren Prize for the most outstanding work in the field of language teaching education.

Printed textbooks remain a core component of ELT publishing activity. However, technology is reshaping every aspect of teaching and learning and, after five years of investment and implementation of well-crafted strategies, the Press's ELT publishing model now enhances and complements core textbooks with innovative digital solutions. The Global New Media Team was created to respond to the growing number of digital opportunities, and a Special Projects Team was formed in order to provide additional capacity for unplanned opportunities outside the core programme.

A number of digital initiatives are worth highlighting. *Cambridge Dictionaries Online* celebrated its tenth anniversary – and continues to be the most popular online English learner's dictionary and the most popular online British English dictionary site in the world, with around 20 million visits per month. A *Cambridge Financial English* blended course was launched in collaboration with the Association of Chartered and Certified Accountants and Cambridge ESOL. The Asian Branch, previously focused on adaptations, is embarking on original and digital publishing in select areas, most notably *Let's Talk*, *Cambridge Readers Online* and *Bright Sparks Online*, all published in collaboration with external partners. Various components of classroom software products, branded as *Classware*, and packaged with an interactive whiteboard device, have been launched to widespread acclaim. *My Word Coach*, a Nintendo video game to help users develop their vocabulary and spelling skills, features over 16,000 words from the *Cambridge Advanced Learner's Dictionary*. A significant and growing number of the Applied Linguistics and Methodology series are now included in the Press's e-Books programme.

Supporting the Press's mission to advance learning, knowledge and research worldwide, ELT augmented the well-known Cambridge Applied Linguistic Series by commissioning two new publications, *The Language of Business Meetings* and *Teachers, Technology and Context*. In addition, *Examining FCE and CAE* and





Rainbow Reading series

Multilingualism and Assessment were added to the Studies in Language Testing Series, jointly published with Cambridge ESOL. *English Profile* is a new joint programme with Cambridge ESOL, hosted within the University. It represents a rare opportunity to be involved in a project that will affect the profession for generations to come by defining the way English learners progress through the Common European Framework of Reference.

Following the restructuring of **Education** publishing in Cambridge, there is now a larger team to accelerate growth of the Cambridge International Examinations (CIE) programme, aided further by publications from the Indian Branch. The Press continues to work closely with the CIE Examinations Board in developing marketing strategies to deliver a 'Completely Cambridge' message, and to expand the global business.

This year saw the launch of *Rainbow Reading*, a graded series from the African Branch with seven levels grouped around curriculum themes. Sales there were boosted by the revised *Little Library Kits*, translated into local languages. The *Study & Master* series continues to be a market leader in the senior secondary segment, further strengthened by new study guides to accompany the core textbooks. For Ghana, the *Black Star* English, Integrated Science and Mathematics series is a first entry into the core curriculum market. Liberia was a new market, following a successful tender for Primary Science titles.

In Europe, the *Cambridge School Shakespeare* was strengthened by six additions to the series. The *Cambridge Latin Course* retained its position as market leader in both the UK and the USA. The *Advanced Level Science* programme, which was completed with a CD-ROM and online resources, proved popular. A number of English titles were launched in the innovative anthology series *Cambridge Collections*, and *Cambridge Essentials Mathematics* and *Science* are making inroads in the UK schools market and globally.

The Australian Branch published for the New Zealand market for the first time with *Maths for the New Zealand Curriculum*. The *Checkpoints* study guides for Victoria have been developed as interactive e-books, called *e-Checkpoints*. *Discovering History* and *Visual Arts* were new series. The Indian Branch secured the British Council contract for printing and publishing English learning materials for exclusive use at their teaching centres, and expanded its *I Did It* Mathematics series. Most significant, though, was the launch of India's flagship primary and secondary course, *Cambridge Express*. This eight-level English Course includes three books endorsed by Cambridge International Examinations for the IGCSE and International O-level exams.

Cambridge Learning has played an important part in the modern history of the Press, now contributing over half of the total publishing revenue, and delivering exceptional growth over the past five years.

The New Directions Group

In its first year the New Directions Group has quickly assumed its intended strategic role in initiating a new joint venture, bringing to market an entirely new product in conjunction with Williams F1, creating a new specialist Platform Services Team for the Press and setting up partnerships with external organisations.

The joint venture with *English 360* positions the Press still more prominently as a leader in digital educational developments. *English 360* is a social-networking and web-based learning platform for ELT teachers and students, aimed mainly at those learning English for business purposes. It allows teachers and institutions to offer blended and online learning to their students without having to invest in technology themselves. The platform encourages the creation of customised learning paths combining Cambridge ELT materials with the teacher's own activities.

Race to Learn is a product produced jointly with Williams F1, the Formula One racing company, using Cambridge-Hitachi's technical expertise to develop digital curriculum resources for interactive whiteboards. Bringing the excitement of Grand Prix racing to the primary classroom, it promotes group working skills through cross-curricular content closely matched to curriculum objectives. Cambridge-Hitachi is developing the Corporate Social Responsibility (CSR) business model now established with Williams F1. A range of leading companies and charitable organisations wish to reach out to the educational community, and Cambridge-Hitachi realises this ambition by developing and distributing valuable teaching resources which fulfil a CSR agenda.

Building on the previous success of *Multi-e-Maths*, the most popular commercial content hosted by London Grid for Learning, Cambridge-Hitachi secured the adoption of *i-learn: speaking & listening* for all 2,000 primary schools in London. This supports the new classroom focus on speaking and listening recommended to the UK Government in the 2009 Rose Report.

Global Grid for Learning (GGfL) is the digital content supply network for education worldwide. A successful year saw widespread recognition of GGfL as an innovative approach to content discovery. The number of members in the network has increased substantially, adding to the library of content available.



GGfL has extended its offering from a digital content service of over one million digital educational assets to a learning platform incorporating a learning management system, web conferencing and other functionality. The platform was developed in partnership with Arizona State University's Applied Learning Technology Institute and the Learning, Innovation and Knowledge Research Centre at Dublin City University, and forms the basis of Arab Grid for Learning (AGfL). This new commercial alliance with Obeikan Research and Development was launched at ELI 2009, the First International Conference on e-Learning and Distance Learning in Riyadh, and provides a network of national portals with a learning platform, online content, and tools for teachers and learners across the Arab World. GGfL is now able to provide content, services and delivery to educators at all levels, in the English language and in Arabic.

The New Directions Group is making e-learning available to the 'next three billion' through a collaboration with a Swiss-based company, Blankpage. The spread of devices such as mobile phones, netbooks and affordable laptops creates an opportunity to provide high-quality interactive Cambridge content more cost-effectively through electronic rather than paper-based delivery. A pilot study in a rural school in South Africa, undertaken by a three-way partnership between Blankpage, Intel and Cambridge University Press, has been met with enthusiasm by teachers and students alike. The Press should benefit from government tenders over the next few years, as affordable devices are adopted globally.

Regional Businesses

Europe, Middle East and Africa

The EMEA region provided revenues of £89 million from its domestic markets during the financial year, demonstrating sales growth of 15% over the previous year, accounting for 47% of the Press's publishing revenues. Net contribution results once again exceeded the expectations of the current business plan.

The **European Branch** demonstrated revenue growth of 10% over the previous year, delivering sales of £67 million in its domestic markets. The three principal publishing businesses – Journals, ELT, and Academic and Professional publishing – were the main drivers of growth, all finishing the year significantly ahead of their respective revenue targets.

The smaller business streams also put in a strong performance: Rights and Permissions income was 10% ahead of budget, and the Cambridge Bookshop, with sales of £1.25 million, produced a result 12% ahead of its planned target.

The year will be remembered not only for its highlights but also its challenges.

As a small educational publisher it has become increasingly difficult for the Press to compete in the UK schools market, which is now monopolised by a few big players. The pressures of public sector funding have caused sales to decline in recent years. As a result, the decision was taken to discontinue forward investment in core curriculum maths and science publishing for the UK state schools market. Service to customers will not be affected as the Press retained a sales presence to support existing and future customers. The restructuring unfortunately resulted in a number of unavoidable redundancies and the new group now consists of thirty people. The adjustment allows focus on areas of strength in Shakespeare, Classics, International Examinations and publishing for the Caribbean, and to invest in building the global education business.

During the year there was a concentration of activity on the digital publishing agenda. The ELT business continued to make progress with its digital activity, underpinning technologies and reinforcing staff capabilities, as it brings the first online courses to market. The Journals group began a major archive digitisation project, and continued to develop the sales potential of the Cambridge Journals Online platform. Academic and Professional publishing increased its capability to repurpose its assets and create new products, and further develop its print-on-demand processes.

There were some notable events in relation to staff. In November, the entire Journals group was successfully relocated to a newly refurbished office suite in the University Printing House. Two new appointments were made to the Branch Board of Directors: Rohan Seery, Academic and Professional Sales and Marketing Director, EMEA, and Sandra Ward, Operations Director, EMEA.

The **African Branch** increased sales by 38% over the previous year, delivering £8 million in revenue. This remarkable result is due to a successful local publishing programme for South African schools, and the continued investment in new publishing, including the launch of *Rainbow Reading*.

The **Iberian Branch** enjoyed another successful year of sales, with growth of 33% over the previous year and total sales of £9 million. The appointment in December of Michael Peluse as Branch Director gave rise to a new five-year business plan, centred around the expansion of local ELT publishing aimed primarily at the Spanish schools market.

Revenue from sales in the **Middle East and North African Branch** accelerated, giving a total of £4.5 million, 19% higher than the previous year. Particular attention was focused on the ELT market in Egypt, firstly through a new and exclusive distribution arrangement with the leading Egyptian educational

publisher, Nahdet Misr, and also by building the necessary editorial expertise to adapt flagship ELT courses for the Egyptian schools market and for the wider Arab world.

The Americas

The main theme of the year in the Americas was dealing with the deep recession in the USA and its ripple-down effect on other markets. After a good start to the financial year, sales fell away in October and remained weak thereafter.

In the **American Branch**, the worst problem lay in the trade market where, as with all publishers, sales to retail and internet booksellers fell dramatically. The other area of concern, which is ultimately more serious for the Press, stems from state budget cuts affecting universities and their libraries, with similar effects from the falling endowments of private universities. As a result, libraries will be able to buy less, and little growth in this area is anticipated for the next year or two.

The result was that in the last financial year Academic book sales totalled \$45.6 million, 8% below the previous year. This loss was offset to some degree by a strong Journals performance, where revenue reached \$12.1 million, an increase of 27%, although this was substantially the result of a change in internal accounting for journal sales. In total, sales from the Academic and Professional group were \$57.7 million, 3% lower than the previous year.

In Cambridge Learning the picture was much brighter. While Education sales (which are relatively small) fell by 12% because of the cycle of adoptions on which sales largely depend, ELT sales rose strongly. Despite a decrease in sales through trade channels, comparable to that experienced by the Academic group, ELT sales made by US representatives increased as a result of *Ventures*, the first US-specific English course for adults. Although traditionally the USA has been a smaller ELT market for the Press than either Mexico or Brazil, it is nevertheless a large, rich, and (despite the current troubles) still growing market which should not be neglected.

Meanwhile, sales in Central and South America (which are almost entirely of ELT products) held up, although the strength of the US dollar against the Mexican peso resulted in a substantial exchange rate loss. Overall, ELT sales for the year reached \$25.4 million, a rise of 14.4% on the previous year. This meant that total Cambridge Learning sales in the American Branch reached \$27.8 million, an increase of 11.5%, and the proportion represented by ELT increased to 35% of all book sales.

Rights sales exceeded budget for the year and grew by over 28%.



Total sales made by the American Branch were \$87 million, which was nearly 2% above last year.

The **Brazilian Branch** had another very successful year, increasing its sales by over 21%, despite suffering from unfavourable exchange rates.

Taken together, the revenue from the two branches that make up the Americas shows an increase of just over 1% on the previous year, which, given the extremely hostile economic environment, was a creditable result.

The recession resulted in the introduction of a hiring freeze in October 2008, and all expenditure was carefully controlled for the rest of the year. Substantial changes in the pensions and medical benefits programs were introduced.

Largely for financial reasons, the decision was made to close the editorial component of Medical publishing in New York, and a reorientation of Academic editorial activity has begun. While the USA remains by far the largest market in the world for academic books, the effect of the recession has necessitated change. The biggest development in hand now is the creation of the new e-books platform, Cambridge Books Online (CBO). This is a global rather than an American project, but it has particular importance to the American Branch because of the accelerating growth and sheer size of the digital market in North America.

As far as ELT is concerned, there was further restructuring of the South American office network, as sales in Argentina, Chile, Colombia and Ecuador have flourished. Distribution arrangements are gradually changing: having concluded the exclusive distributor contract in Mexico early in 2008, the cost and efficiency benefits of a specialist warehousing and shipping company were evident during this last financial year

The Branch application for re-zoning of the West Nyack warehouse was successful, and the larger part of the unused space was rented out to Intercos America Inc., a cosmetics manufacturer and distributor.

Finally, the Branch is pleased to report that Judith Grace was promoted to HR Director and joined the Board of Management.

Asia-Pacific

The Asia-Pacific region performed well with two of the three branches, Asia and India, exceeding budget. Although Australia did not meet its sales target, nevertheless it achieved 7% growth over the previous year. Japan had a difficult time and finished 9.6% under budget. Sales for the region as a whole were £39.3 million. The Asia-Pacific region now represents 25% of the global sales revenue, a significant increase over last year, and operates from 23 offices in 12 countries.



This building houses the São Paulo office, Brazil



Asia experienced another excellent year of growth with sales of US\$24 million. More significantly, Asia generated profit as a stand-alone branch for the first time, a trend that will continue.

The outstanding sales performances this year, as last, were from China and South Korea. Revenue from China grew by 18% over the previous year and achieved annual sales of over \$6 million. South Korea grew by 5% and achieved its budget in extremely difficult trading conditions, caused by the mid-year collapse of the local currency against the US dollar. In view of the difficult conditions in Japan, there is a move to integrate the United Publishers Services (UPS) and Press offices in order to make the operation more efficient.

There was success in Taiwan, with a change in ELT distributor during the last financial year resulting in steady sales and better margins. The sale of an e-book collection worth US\$130,000 to the National Taiwan University (NTU) consortium, made in August 2008, was another major achievement for the Taiwan office.

Gareth Knight was promoted to the role of Learning Director for the Asian Branch, with responsibility for all Learning activities, including publishing. As the Branch's publishing unit has matured, so it has been reorganized to bring electronic and print publishing into a single workflow reporting to Josep Mas in the Tokyo Office.

In April the Singapore office was relocated to smaller, less expensive premises which better suit its needs.

Sales in **Australia and New Zealand** grew by 7% over the previous financial year. In Education, Linda Kowarzik was promoted to Education Publishing Director. Publishing output increased significantly with the expansion of mathematics publishing into New Zealand. As a result, Education sales in New Zealand increased by 123% from a modest base.

Sales increased slightly in Academic and Professional with the local highlight title being *The Garnaut Climate Change Review*. ELT sales grew strongly due to increasing adoptions of course and IELTS materials

The **Indian Branch**, Cambridge University Press India Pvt. Ltd, achieved a milestone in the last financial year with an increase in revenue of 22%. The Branch has doubled its sales since the Press acquired a majority stake nearly three years ago. A total of 98 new books were published.

A new office was opened in Pune, a major University centre, bringing to seven the number of Press offices across India, thus improving sales and distribution capabilities.

Printing

As the Press was poised to celebrate 425 years of continuous printing and publishing, Cambridge Printing was facing its biggest ever challenge and was fighting for its survival against an industrial landscape that threatens almost all print businesses.

The catalyst for change was the changing profile of the work: the printing of Confidential products (exam and assessment papers and teaching materials) no longer provided significant revenue nor contributed to the cost base; the printing of promotional and commercial work for the local and University communities was facing serious price competition; the print-runs for books and journals were shortening; and the prospect of a global, distributed print strategy – whereby publishers can print products closer to their markets – was further reducing the revenue for Cambridge Printing.

But it would be unfair to imply that the need for change arose solely from the alterations in and decline of revenue streams. The business was large and diverse rather than nimble and focused, and in this period of rapid technological change, global competition and digital opportunity, it is essential to be lean and adaptable.

The business year was divided into two halves with attention in the first part focused on the successful transition of the Cambridge Assessment contract for Confidential printing to its new technology partner. A deal was brokered whereby the new partner had access to the Press's plant and premises in order to ease the transition for Cambridge Assessment. Staff were transferred to their new employer under TUPE regulations on 1 October 2008 but continued to work in the Printing House until the end of February 2009.

While the practical aspects of the handover were dealt with, strategic plans for the shape of the business for the following financial year were being developed. A project team, with collaboration from the main customers, undertook extensive research to identify the capabilities of the existing equipment and to determine the shape of the business for the short to medium term.

The initial plan was to focus the business on Academic book printing, with a revenue profile of around £5 million, employing just 37 of the 160 staff. Through the consultation process, those plans changed to reflect the concerns of staff and to recognise the extraordinarily difficult economic climate that the UK currently





faces and the poor outlook for displaced personnel having to join the job market.

By the end of the consultation process the Press planned to retain a business of £8 million, employing 72 staff focused on book printing for the Academic and Cambridge Learning groups, including the printing of journals and a limited amount of third-party work.

However, the printing business faces the prospect of further change by a move to distributed print and by the rapid growth of electronic products alongside printed material. There are potential cash benefits with distributed print, because of reduced distribution and stock-holding costs, and a shorter time to market. It is important to define the models that work best for the Press's publishing programme before identifying and managing the potential impacts on the Press's UK printing business.

The Press is committed to the continuation of Cambridge Printing, consistent with Statute J. But the business needs to demonstrate agility and responsiveness to changing conditions, and it is probably necessary therefore to print for the European rather than the global market – such are the challenges today of a 425-year-old printing business.

Environmental and Community Programmes

Environmental management

In November 2008 the Press was awarded a 'Green Apple' in recognition of its contribution to responsible environmental management. As the UK's 'Green Champion' for the publishing and printing industries, the Press has been acknowledged as representing best practice in this regard.

Environmental legislation, meanwhile, does not stand still. The UK Government's 'Carbon Reduction Commitment' will apply legal force to the requirement to monitor an organisation's impact on its surroundings, not only to huge consumers of power such as electricity-generation and transmission companies, but also to medium-sized manufacturing industries. In preparation for this, the Press has installed 400 sensors around its main Cambridge site to monitor specific activities and devices in relation to their power consumption. The collected data will enable managers to determine the critical steps that need to be made in future to ensure significantly lower consumption (and bills).

As buildings on the Cambridge site are renovated and usage patterns change – towards more office-space and less heavy machinery – so a different kind of low-emission air conditioning has been installed. The Press also aims to reduce the use of high-consumption office equipment such as heavy photocopiers.

In a year that has seen a significant reduction in print output, it is not surprising that the Press's own emissions performance has shown dramatic improvement. Greenhouse-gas emissions from the Cambridge site over the year were 7,401 tonnes of CO₂ equivalent, a drop of 15% from the previous year, and a 4% drop from the baseline year of 2006. Of particular note, however, is that emissions due to the airfreight of books across the Atlantic have halved over the past two years, largely as a result of multi-site digital printing.

The Press maintained its FSC and PEFC registrations for sourcing and processing forestry products, and also maintained its membership of PREPS, an industry-wide initiative aimed at eliminating the use of paper pulp from anything other than sustainably managed woodland.

Changes in publishing technology affect the environment in other positive



ways: *Cambridge Dictionaries Online* retained its leading position among the web's increasingly diverse lexical reference offerings. Major growth was achieved in the transition to digital origination and reproduction of print materials: 15,000 titles are now delivered in this way, saving not only on freight, but virtually eliminating the possibility of waste, because the manufacture of these titles does not exceed demand. Revenue due to this business line was £9 million in the year to end April 2009, an increase of 30% over the previous year.

In the coming year the Press will trial the next logical step, which is for these digitally managed titles to be shipped direct from printer to customer, eliminating the trip into and out of a Press warehouse. If it succeeds in the UK, it may become established practice for the distribution of specialised publications worldwide shortly afterwards.

Community involvement

With 53 offices in 39 countries, Cambridge University Press has an opportunity to engage with a large and diverse range of communities. Public engagement is an important part of the Press's role, embracing a wide range of educational projects, fundraising and donations to charity. Press staff also undertake voluntary activities, giving freely of their time and expertise, and Press offices provide facilities to community organisations. The following snapshot of projects from around the world gives a picture of community activity across the Press as a whole.

This year the **African Branch** continued its outreach programme to disadvantaged schools. In addition to the ongoing sponsorship of Scottsdene School, three farm schools have been adopted. While the Press donated books to set up library corners, staff donated clothes and other items. The next stage entails each staff member 'adopting' a learner and buying a pair of shoes for that particular child, many of whom have no shoes to wear during the cold winter months.

On World Book Day, staff went into schools for the morning to read to learners. Sets of books were then donated to each school. Once again some staff also participated in the annual Rally-to-Read initiative, where a number of publishers join a 4x4 vehicle rally to schools that are inaccessible to ordinary vehicles. Schools are set up with mini libraries and teachers participate in library skills training.

The Press has allocated 25.1% of its shares in the South Africa Branch to help fund a unique university, which offers a world-class education to some of the



country's poorest black students. Community and Individual Development Association (CIDA) Empowerment aims to lift talented young people out of poverty by offering them the chance to study for a business degree (or equivalent) virtually for free. Fees are less than 5% of the cost of a normal degree in South Africa and are paid for through an investment portfolio managed solely to produce funds for CIDA students. The shares in Cambridge University Press South Africa will become part of this portfolio.

CIDA graduate Colin Maphutha described his CIDA education as “a dream come true. If it was not for CIDA, I would be home involved in crime or doing nothing constructive. Here I am able to be somebody.”

The Press partners several programmes in **Brazil** which make vital contributions to the local community. Since 2002, 37,500 books have been donated to 151 different projects through the Bookstep programme. The Printing Smiles project provides gifts to children through the Christmas Bag initiative at Grupo AMAR in São Paulo; since 2003, 765 bags have been donated. Food for Thought encourages attendees of free Press events to donate non-perishable food to local charities, and 12 tonnes have been donated since the project started in 2003.

Last year Press employees all over the world raised over \$81,000 towards two good causes in **Asia**, dealing with the impacts of the earthquake in southwest China and Cyclone Nargis in Myanmar. This money will soon provide a new school for the Htaw Pon Nar community on the island of Alekyun in Myanmar's Western Ayeyarwaddy Delta, the old school having been destroyed during the cyclone in May last year.

Support for a large NGO called Pratham has continued in **India**. The Press has designed laminated card versions of children's books which are used in slum schools, at sustainable but very low prices. The Press is also helping in teacher training and in building up school libraries in poor areas. The Pratham project, which already reaches thousands of children, aims to expand substantially its English-learning programme.

As well as supporting local initiatives with printing, books and cash, one of the most significant contributions of the **Cambridge** office is through the workforce. Through a Volunteer Hours programme, staff are eligible to take up to seven paid 'volunteer hours' per calendar year. So far 140 Press volunteers have:

- worked on wildlife projects in and around Cambridge with the Wildlife Trust (the University Press is their first educational partner in this region)
- taught English to unaccompanied refugee children in Cambridge



*João Madureira and Elizabeth Fuzikava
prepare Christmas gift bags*



*The Cambridge 'Bridge the Gap' team
with Mark Foster, Olympic swimmer*



Staff helping the Wildlife Trust by spreading seed-rich green hay over land being restored to woodland and meadows

- supported local schools with literacy, numeracy and other subjects
- acted as guides or leaders to children during the Science Festival and the Festival of Ideas.

Cambridge staff devoted nearly 1,000 hours to helping local causes and were recognized for this achievement when the Press received two awards sponsored by Prince Charles through Business in the Community: the Business Volunteers Team award for staff, and the Prince's Ambassador Award for Stephen Bourne, citing his establishment of the volunteers scheme, his commitment to reducing waste and use of sustainable resources, and his leadership of a 2008 China/Myanmar crisis appeal.

Support for the charities nominated by staff continues, with £20,000 going towards the Cambridge Cancer Help Centre, Addenbrooke's Charitable Trust Special Care Baby Unit and the Cystic Fibrosis Trust. For the third year running, the Press won the corporate team award when 70 members of staff and their families joined 2,500 walkers on the annual Bridge the Gap charity walk through central Cambridge.

In the **American Branch**, staff initiated programs to combat poverty, such as collecting food for the Food Bank of New York, which feeds the poor, donations for Literacy NY, which provides basic literacy training for adult learners, and donations to People-to-People, which provides holiday gifts for needy children. The Branch provides two full scholarships each year in memory of Ronald Mansbridge, founding Director of the Branch, to enable students from a local community college to study in Cambridge over the summer.



Mansbridge Scholars, Peri Hackett and Nicole Purville, with Ian Bradie and Richard Ziemacki

Appendices

I. Statistical data May 2008 to April 2009

NB The following tables do not include digitally reprinted books.

American history	13
American literature	2
Archaeology	6
Art	2
Astronomy	33
British history	13
Classical studies	29
Computer science	12
Drama and theatre	9
Earth, atmospheric sciences	34
ESV-English Standard Version Bibles	1
Economics, business studies	19
Engineering	56
English literature	56
European and world literature	4
European history	26
Experimental biology and biomedicine	10
General science	2
Geography, the environment	1
History - cross discipline	3
History - other areas	20
Language and linguistics	13
Law	104
Management	10
Mathematics	47
Medicine	36
Music	9
Philosophy	14
Physics	30
Politics, social theory, history of ideas	24
Psychology	11
Religion	12
Sociology	1
Zoology, botany	18
Total	680

American history	11
American literature	15
Anthropology	1
Archaeology	7
Art	8
Astronomy	5
Bibles	2
British history	5
Cambridge University publications	3
Classical studies	22
Computer science	8
Drama and theatre	8
Earth, atmospheric sciences	8
Economics, business studies	33
Education	1
Engineering	7
English literature	22
European and world literature	7
European history	11
Experimental biology and biomedicine	9
Film, media, mass communication	1
Geography, the environment	1
History - other areas	30
Language and linguistics	26
Law	38
Management	12
Mathematics	45
Medicine	50
Music	7
New International Version	1
Philosophy	48
Physics	8
Politics, social theory, history of ideas	87
Psychology	28
Religion	24
Sociology	16
Zoology, botany	16
Total	631

Table 3: Total hardback and paperback ISBNs by publishing centre

	Cambridge	Americas	Australia	Africa	Iberia	Asia	Total
Bibles	4	0	0	0	0	0	4
Education	25	2	150	252	0	1	430
ELT	119	46	2	0	3	79	249
HSS	872	600	22	2	0	23	1519
STM	423	134	3	1	0	50	611
Total	1443	782	177	255	3	153	2813

Table 4: Sales revenue by country (top 15)

Academic and Professional	Education	ELT
USA	South Africa	Spain
UK	Australia	Brazil
Japan	UK	UK
Germany	USA	USA
Australia	Namibia	Mexico
Canada	Zambia	South Korea
P R China	Cameroon	Japan
India	Trinidad and Tobago	Italy
The Netherlands	Jamaica	P R China
Taiwan	New Zealand	Russian Federation
South Korea	Malawi	Switzerland
Italy	Liberia	Poland
Switzerland	P R China	Germany
Spain	Indonesia	Colombia
France	United Arab Emirates	Thailand

Table 5: Percentage of publishing sales by market, split by category

	Academic & Professional	Education	ELT	Journals	Bibles	Total
Africa	4	88	6	2	0	100
Americas	51	2	29	18	0	100
Asia	26	3	58	13	0	100
Australia	27	51	16	6	0	100
Brazil	0	0	100	0	0	100
Europe	35	8	35	20	2	100
Iberia	6	1	86	7	0	100
India (CUPIPL)	42	5	21	32	0	100
Middle East & North Africa	10	9	77	4	0	100
Total	33	11	40	15	1	100

Table 6: Percentage of sales by category, split by market

	Academic & Professional	Education	ELT	Journals	Bibles	Total
Africa	1	40	1	1	0	5
Americas	47	7	22	37	0	31
Asia	10	4	18	10	0	13
Australia	4	23	2	2	1	5
Brazil	0	0	11	0	0	4
Europe	34	23	28	43	99	32
Iberia	1	0	12	3	0	5
India (CUPIPL)	2	1	1	3	0	2
Middle East & North Africa	1	2	5	1	0	3
Total	100	100	100	100	100	100

II. Awards and prizes

Among the awards and prizes for Press publications received in 2008 were:

Madawi Al-Rasheed, *Contesting the Saudi State*, listed by American Choice magazine as one of the outstanding academic books of 2007.

Dinesh Bhugra and Kamaldeep Bhui, *Textbook of Cultural Psychiatry*, commended in the Mental Health category by the British Medical Association 2008.

Enrico Bombieri and Walter Gubler, *Heights in Diophantine Geometry*, winner of the American Mathematical Society Joseph Doob Prize 2008.

Adolfo M. Bronstein and Thomas Lempert, *Dizziness: A Practical Approach to Diagnosis and Management*, highly commended in the Neurology category by the British Medical Association 2008.

Julie Brown, *Western Music and Race*, winner of the Ruth A. Solie Award.

Mary Chapman, *The Geology of Mars*, winner of the 2008 IAA Basic Science Award.

Margreta de Grazia, *'Hamlet' without Hamlet*, winner of the Phyllis Goodhart Gordan Book Prize 2008.

Lucy Delap, *The Feminist Avant-Garde: Transatlantic Encounters of the Early Twentieth Century*, winner of the 2008 Women's History Network book prize.

Imke de Pater and Jack J. Lissauer, *Planetary Sciences*, winner of the AAS Chambliss textbook award.

John Field, *Listening in the Language Classroom*, winner of the Ben Warren Prize for the most outstanding work in the field of language teaching education.

James Georgas, John W. Berry, Fons J. R. van de Vijver, Çigdem Kagıçibasi and Ype H. Poortinga, *Families Across Cultures: A 30-Nation Psychological Study*, winner of the International Division of the APA Gielen Award 2008.

Gay Gibson, *Early American Women Critics*, winner of the ASTR's 2007 Barnard Hewitt Award for Outstanding Research in Theatre History.

Stephen Gillam, Jan Yates and Padmanabhan Badrinath, *Essential Public Health: Theory and Practice*, highly commended in the Public Health category by the British Medical Association 2008.

Steven Greer, *The European Convention on Human Rights*, short-listed for the Hart Socio-Legal Book Prize 2008.

Simon Hix, Abdul G. Noury and Gérard Roland, *Democratic Politics in the European Parliament*, winner of the Richard F. Fenno Prize for the best book published in the field of legislative studies during 2007.

John R. Hodges, *Frontotemporal Dementia Syndromes*, commended in the Neurology category by the British Medical Association 2008.

Stephen Katz, *The Cambridge History of Judaism*. The Jewish Book Award in Reference was awarded to Stephen Katz for editing this volume.

Martin Kavka, *Jewish Messianism and the History of Philosophy*, winner of the Jordan Schnitzer Book Award 2008.

Eve La Haye, *War Crimes in Internal Armed Conflicts*, winner of the 2008 Lieber Prize.

Geoffrey Lloyd and Elspeth Guthrie, *Handbook of Liaison Psychiatry*, British Medical Association 1st prize winner in the Mental Health category 2008.

Christine MacLeod, *Heroes of Invention: Technology, Liberalism and British Identity, 1750–1914*, winner of the Edelstein Prize 2008.

Larry May, *Aggression and the Crimes Against Peace*, winner of the International Association of Penal Law Book of the Year Award.

Marie McCullagh and Ros Wright, *Good Practice: Communication Skills in English for the Medical Practitioner*, winner of the David Riley Award.

A. Dirk Moses, *German Intellectuals and the Nazi Past*, winner of H-Soz-u-Kult's best contemporary historical study 2007, as part of its annually held forum on The Historical Book of the Year.

Jeanne Openshaw, *Seeking Bauls of Bengal*, winner of the Rabindranath Tagore Memorial Award by Pascimbanga Bangla Akademi (Government of West Bengal, India).

Norman A. Paradis, Henry R. Halperin, Karl B. Kern, Volker Wenzel and Douglas A. Chamberlain, *Cardiac Arrest: The Science and Practice of Resuscitation Medicine* (2nd edition), British Medical Association 1st prize winner in the Cardiology category 2008.

Susan Rutherford, *The Prima Donna and Opera, 1815–1930*, winner of the Pauline Alderman Award of the International Alliance for Women in Music.

Jo Shaw, *The Transformation of Citizenship in the European Union: Electoral Rights and the Restructuring of Political Space*, winner of the 2008 UACES Best Book Award.

Graham Shipley, John Vanderspoel, David Mattingly and Lin Foxhall, *The Cambridge Dictionary of Classical Civilization*, winner of two prizes: Booklist Editor's Choice 2006 and Library Journal Best of Reference in 2006.

Sarah Song, *Justice, Gender, and the Politics of Multiculturalism*, winner of the 2008 APSA's Ralph Bunche Award for the best scholarly work in political science published in the previous year that explores the phenomenon of ethnic and cultural pluralism.

Ramesh Thakur, *The United Nations, Peace and Security: From Collective Security to the Responsibility to Protect*, winner of the 2008 ACUNS Book Award for the best recent book on the UN system.

Charles Whitney, *Early Responses to Renaissance Drama*, winner of the Third Annual Dietz Prize 2008.

Alexandra Wilson, *The Puccini Problem: Opera, Nationalism, and Modernity*, winner of the Lewis Lockwood Award 2008.

Rachel Zuckert, *Kant on Beauty and Biology: An Interpretation of the 'Critique of Judgment'*, winner of the American Society of Aesthetics Monograph Prize 2008.

III. Statute J The University Press

1. There shall be in the University a University Press which shall be devoted to printing and publishing in the furtherance of the acquisition, advancement, conservation, and dissemination of knowledge in all subjects; to the advancement of education, religion, learning, and research; and to the advancement of literature and good letters.
2. There shall be in the University a Press Syndicate. The management of the finance, property, and affairs generally of the University Press shall be the responsibility of the Press Syndicate which shall exercise in relation thereto all the powers of the University except in so far as the Statutes and Ordinances expressly or by necessary implication provide otherwise. The Press Syndicate shall consist of the Vice-Chancellor or a duly appointed deputy as Chairman and such number of members of the Senate appointed in such manner as shall be determined from time to time by Ordinance.
3. The Press Syndicate shall have power in the name of the University and for the purposes of the University Press to purchase, lease, retain, sell, or transfer property real or personal and to purchase, retain, sell, or transfer securities (which term shall include stocks, funds, and shares) of any description whether or not authorised by law for the investment of trust funds, and this power shall extend to the investment (including the variation of the investment) of all endowments or other funds of the University Press.
4. All income accruing to the University Press shall be credited to the accounts of the Press Syndicate and all University Press capital and income shall be controlled by the Press Syndicate and applied by them at their sole discretion for the purposes of the University Press.

5. The Press Syndicate shall have power to borrow money for the purposes of the University Press and to make the property or income of the University Press security for any loan, provided that
 - (a) the Council shall have authority to impose limitations on the power of the Press Syndicate to borrow money under this section, and
 - (b) the terms of any loan so secured on the property or income of the University Press shall be in accordance with the Universities and College Estates Acts 1925 and 1964, and shall be approved by the Vice-Chancellor on behalf of the Council.
6. The Press Syndicate shall have power in the name of the University to engage persons for employment in the service of the University Press, determine their salaries and pensions, and prescribe the conditions of their service.
7. Persons holding certain posts in the University Press which have been specially designated under this section by the Council on the recommendation of the Press Syndicate shall be treated as University officers for the purposes of Statute A, III, 7(b), Statute B, I, 1, Statute B, III, 6, and Statute K, 3(h). The following have been specially designated under this section: the Secretary of the Press Syndicate, Directors, Associate Directors, Senior Editors, and Senior Managers of the Press.
8. The accounts of the University Press shall be audited annually by one or more qualified accountants appointed by the Council. The Council shall in every year appoint one or more persons from among the members of the Finance Committee, who shall examine these accounts, confer with the auditor or auditors, and report to the Council.
9. There shall be a Press Seal, as a seal of the University to be used on the directions of the Press Syndicate in matters relating to the affairs of the University Press; but the existence of the Press Seal shall not invalidate the use in connection with such matters of any other seal of the University. The University shall have power to make Ordinances concerning the custody and affixing of the Press Seal.

10. The Press Syndicate shall have power to delegate any of their powers under this Statute subject to any limitations imposed by Ordinance.
11. The term property of the University Press here and elsewhere in Statutes and Ordinances shall refer to property of the University held or used for the purposes of the University Press. In favour of any person having dealings with the University Press a certificate signed by the Registrar that any particular property is the property of the University Press, or that any limitations on borrowing have been complied with, shall be conclusive.
12. The Press Syndicate shall make an Annual Report to the Council, which shall be published to the University either as a whole or in summary.
13. Notwithstanding the provisions of the foregoing sections, the Council shall have power in circumstances which the Council deems to be exceptional, on the advice of its Finance Committee, to discharge the Press Syndicate, and to assume full responsibility itself for the management of the Press for the time being. If the Council has occasion to exercise the powers available under this section, the Council shall make a full report to the University on the circumstances necessitating such action.

Annual Accounts

for the year ended 30 April 2009

The Press Syndicate

Members of the Press Syndicate during the twelve months ended 30 April 2009 were as follows:

Dr G. Johnson, *The President of Wolfson* (Chairman)

Professor W. A. Brown, *The Master of Darwin*

Professor T. M. Cox

Professor U. C. Goswami

Professor B. J. Heal

Professor C. J. Humphreys

Professor D. J. Ibbetson

Professor T. W. Körner

Professor D. J. McKitterick

Professor J. S. Morrill

Dr R. G. Barker

Dr C. Y. Barlow

Dr J. K. Chothia

Dr T. N. Harper

Dr M. S. Lane

Dr D. W. Runciman

Mrs A. M. Lonsdale

Mr A. Reid, *University Director of Finance*

Mr S. J. Webster, OBE

Publishing Committee

Dr G. Johnson (Chairman)

Professor W. A. Brown

Professor T. M. Cox

Professor U. C. Goswami

Professor B. J. Heal

Professor C. J. Humphreys

Professor D. J. Ibbetson

Professor T. W. Körner

Professor D. J. McKitterick

Professor J. S. Morrill

Dr C. Y. Barlow

Dr J. K. Chothia

Dr T. N. Harper

Dr M. S. Lane
Dr D. W. Runciman
Mrs A. M. Lonsdale
Dr N. P. V. Richardson
Dr A. M. C. Brown
Mr R. K. Fisher
Mrs J. M. Pieterse
Mr K. J. Taylor

Finance Committee

Dr G. Johnson (Chairman)
Professor W. A. Brown
Professor D. J. McKitterick
Professor J. S. Morrill
Dr R. G. Barker
Mrs S. Coutu
Mr A. Reid
Mr S. J. Webster
Mr Stephen R. R. Bourne
Mr Steven H. Miller

Audit Committee

Mrs A. M. Lonsdale (Chair)
Dr C. Y. Barlow
Mr N. Wright

The Secretary of the Press Syndicate is Mr Stephen R. R. Bourne, University Printer and Chief Executive of Cambridge University Press.

Members of the Press Syndicate receive no remuneration in their role as trustees. No individual member of the Press Syndicate received any remuneration from Cambridge University Press, other than in their capacity as authors, series editors, editorial advisors or consultants. The remuneration that these individuals would receive in this capacity is under normal contract terms. There were no reimbursed expenses in the current period.

Professional advisors and principal office

Bankers

Barclays Bank
Bene't Street
PO Box No 2
Cambridge
CB2 3PZ

Solicitors

Mills & Reeve Solicitors
Francis House
112 Hills Road
Cambridge
CB2 1PH

External Auditor

KPMG LLP
37 Hills Road
Cambridge
CB2 1XL

Internal Audit Service Provider

Deloitte LLP
Stonecutter Court
1 Stonecutter Street
London
EC4A 4TR

Investment Managers

Barclays Global Investors
54 Lombard Street
London
EC3P 3AH

Legal & General Investment

Management Limited
Bucklersbury House
3 Queen Victoria Street
London
EC4N 8NH

Principal Office

The Edinburgh Building
Shaftesbury Road
Cambridge
CB2 8RU

Organisation and governance

Cambridge University Press is the printing and publishing house of the University of Cambridge, whose right to print and sell 'all manner of books' was granted by Henry VIII in 1534. It is the oldest Press in the world, having printed and published continuously since 1584.

Cambridge University Press is established by Statute of the University and is an educational charitable enterprise dedicated to printing and publishing for the advancement of knowledge, education and learning worldwide.

Statute J (full text in Appendix III above) of the University of Cambridge states: *There shall be in the University a University Press which shall be devoted to printing and publishing in the furtherance of the acquisition, advancement, conservation, and dissemination of knowledge in all subjects; to the advancement of education, religion, learning, and research; and to the advancement of literature and good letters.*

The Press is a unitary organisation, with its centre in Cambridge and with an integrated international network of Branches, many of which have non-profit status in their countries of operation.

The University Press is governed by the Press Syndicate, a body consisting of the Vice-Chancellor's deputy as Chairman, a University officer appointed by the Council and sixteen senior members of the University's Senate. The powers of the Syndicate are fully set out in Statute J and the supporting Ordinances of the Press.

Appointment of members of the Syndicate

As set out in Statute J, the Press Syndicate shall consist of the Vice-Chancellor or a duly appointed deputy as Chairman and such number of members of the Senate appointed in such manner as shall be determined from time to time by Ordinance.

Induction and training of the members of the Syndicate

Each new member of the Syndicate is briefed on his/her duties and on the business of the Press by the Chief Executive. Periodically, the Syndicate as a whole receives further briefings on legislative changes and on developments in the Press's business, insofar as they affect their responsibilities as Syndics.

Management and structure

The Press Syndicate as a whole exercises ultimate authority over the Press's publishing, approving every Academic title and the publishing programmes of the Cambridge Learning business stream. The day-to-day management of the Press is delegated to the Chief Executive, who appoints the Press Board (consisting of seven Directors), and such other senior managers as he deems necessary to conduct the Press's business around the world. The Press Syndicate exercises its overall responsibility for these activities through its Publishing Committee, Finance Committee, Remuneration Committee and Audit Committee.

Related parties

The Press is a department of the University of Cambridge. It provides services to the University, Cambridge Assessment and to the Colleges.

Risk management

Cambridge University Press is both the oldest publishing and printing house in the world and the oldest university press, and has been operating continuously as a publishing and printing business since the first Cambridge book was printed in 1584. Very few organisations in the world have survived and prospered for more than four centuries. The Press Syndicate adopts a very long-term view, monitors both risks and opportunities, and aims to mitigate the former while taking advantage of the latter.

The Press Syndicate and its Finance Committee adopt a number of complementary approaches to managing risk. First, the Press Syndicate has for many years followed a Reserves Policy. It maintains bank balances and invested funds, both to provide funding for Press growth and expansion, and to counteract potential business risk. Second, annually, the Press Syndicate conducts a detailed risk analysis, resulting in the preparation of a Risk Register, which evaluates the possible effects on the Press of a series of potentially damaging business factors, any or all of which are familiar problems in the world of international business. Third, executive management sets detailed budgets for all areas of income, expenditure and cash flow, monitors performance monthly, and takes prompt action in response to departures from budget. The financial results are reported to, and reviewed by, the Finance Committee. Fourth, the Audit Committee operates a rolling internal audit programme, which is undertaken by Deloitte & Touche LLP. This programme raises awareness of risk and improves internal control in the Press, measured against private sector and industry best practices. Finally, the Press has developed arrangements for business continuity planning, with the intention of quickly restoring operations in the aftermath of a major disaster.

Through a combination of these and other measures, the Press Syndicate is confident that the major risks to which it is exposed have been revised and that the systems are in place to mitigate those risks.

Investment policy

The management of invested funds is consistent with the risk management policy and also the principles of the reserves policy. Progress towards the achievement of these objectives has been satisfactory.

Objectives, activities and financial performance

The objectives of the Press are defined in Statute J (Appendix III above). The key elements of the Press's strategy, and its recent performance and achievements, are

set out in the Chief Executive's overview.

The Press's future strategy is centred on three simple propositions: growth, financial performance and quality.

Growth will be realised in part organically; in part through investment in products, software, services and people; and in part by opening up new channels to market, whether through partnerships, acquisitions or technology.

Financial performance will be achieved by selling more while controlling costs, both of which will improve our ratio of sales to fixed overheads; by working our balance sheet harder than ever before, to achieve a return on net assets that justifies continued investment in the business; and by giving our business managers around the world greater responsibility – and accountability – for the financial results of their respective business streams.

The quality proposition lies at the heart of what our University expects of the Press, and it is what the Cambridge name has come to mean to customers. Crucially, it is where the Board perceives economic advantage to lie in an increasingly competitive market. While producers of commodity products will struggle, the quality proposition will differentiate the Press and permit it to prosper.

With the above strategies in mind, the Press's immediate plans are to continue to invest in new publishing; to invest considerable sums in the new information systems and publishing platforms essential to the e-vision; and to continue to capture market share from its competitors.

Responsibilities of the Press Syndicate for the preparation of the financial statements

for the year ended 30 April 2009

The Press Syndicate as a body of trustees is responsible for keeping proper accounting records which disclose at any time, with reasonable accuracy, the financial position of the Press. It also has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of Cambridge University Press and to prevent and detect fraud and other irregularities.

Statute J requires that the accounts of the Press Syndicate of Cambridge University Press are audited annually by one or more qualified accountants appointed by the Council. In order to give a true and fair view of the state of affairs of Cambridge University Press and of the incoming resources and applications of resources for that period, in accordance with UK Accounting Standards (UK Generally Accepted Accounting Practice), the Press Syndicate has

elected to present the financial statements in compliance with the Statement of Recommended Practice 'Accounting and Reporting by Charities'.

The Press Syndicate has satisfied itself that the accounting policies selected by the executive management are appropriate, and the Press Syndicate as a body approves the financial statements. In preparing those financial statements, the executive management are required to:

1. select suitable accounting policies and then apply them consistently;
2. make judgements and estimates that are reasonable and prudent;
3. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
and
4. make a judgement as to whether the Press is a going concern, and account for it accordingly.

Report of the Independent Auditor to the Press Syndicate

for the year ended 30 April 2009

We have audited the financial statements of Cambridge University Press for the year ended 30 April 2009 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Press Balance Sheet and related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Press Syndicate, as a body of trustees. Our audit work has been undertaken so that we might state to the Press Syndicate those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Press Syndicate, for our audit work, for this report, or for the opinions formed.

Respective responsibilities of the Press Syndicate and auditors

The responsibilities of the Press Syndicate for preparing the financial statements in accordance with UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out on pages 53–54.

Our responsibility is to audit the financial statements in accordance with the terms of our engagement letter dated 10 May 2007 and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with applicable UK Accounting Standards.

In addition we report to you if, in our opinion, we have not received all the information and explanations we require for our audit.

We read the Annual 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 judgements made by the Press Syndicate in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of Cambridge University Press and the Group, 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.

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of affairs of Cambridge University Press and of the Group as at 30 April 2009, and of the Group's incoming resources and applications of resources in the year then ended;
- have been properly prepared in accordance with applicable UK accounting standards.

S. Muncey

for and on behalf of KPMG LLP, statutory auditor

Chartered Accountants

37 Hills Road

Cambridge

CB2 1XL

12 October 2009

Consolidated Statement of Financial Activities*for the year ended 30 April 2009*

	Notes	2009 £m	2008 £m
Incoming resources			
Incoming Resource from charitable activities			
Publishing and Printing Services		205.1	179.5
Incoming Resources from generated funds			
Investment (expense) income	2	(1.7)	1.0
Other incoming resources		–	–
Total incoming resources		203.4	180.5
Resources expended			
Charitable activities			
Cost of publishing and printing services	3	(199.5)	(177.0)
Governance costs	3	(0.5)	(0.5)
Net incoming resources before transfers		3.4	3.0
Transfer to the University of Cambridge	12	(1.3)	(1.8)
Taxation		(0.5)	(0.4)
Attributable to minority interest	17	(0.2)	(0.1)
Net incoming resources before other recognised gains and losses		1.4	0.7
Other recognised gains/losses			
Net (losses)/gains on invested funds	7	-	(2.3)
Actuarial (loss) on post-retirement benefits	15, 16	(18.6)	(6.8)
Currency translation		3.1	2.0
Net movement in funds		(14.1)	(6.4)
Reconciliation of Funds (excluding minority interest)			
Total funds brought forward		74.0	80.4
Total funds carried forward		59.9	74.0

The notes on pages 60–79 form part of these accounts.

Consolidated Balance Sheet

at 30 April 2009

	Notes	2009 £m	2008 £m
Fixed assets			
Intangible fixed assets	4	3.5	3.8
Tangible fixed assets	5	50.1	44.4
Fixed asset investments	6	1.2	–
		54.8	48.2
Current assets			
Stock and work in progress	8	51.7	46.4
Debtors	9	53.6	44.7
Bank balances and short-term deposits		31.0	36.4
		136.3	127.5
Creditors			
Amounts falling due within one year	10	59.7	48.4
Net current assets		76.6	79.1
Long term financing	11	7.2	7.8
Net assets excluding post-retirement benefit liabilities		124.2	119.5
Defined benefit pension scheme liability – funded	15	48.4	30.6
Other post-retirement benefits liability – unfunded	16	14.8	14.9
Net assets including post-retirement benefit liabilities		61.0	74.0
Funds			
General		123.1	119.5
Pension & other post-retirement benefits reserve		(63.2)	(45.5)
Minority Interest	17	1.1	–
		61.0	74.0

The notes on pages 60–79 form part of these accounts.

Press Balance Sheet

at 30 April 2009

	Notes	2009 £m	2008 £m
Fixed assets			
Intangible fixed assets	4	3.3	3.5
Tangible fixed assets	5	46.0	39.7
Fixed asset investments	6	2.0	2.0
		51.3	45.2
Current assets			
Stock and work in progress	8	40.3	38.0
Debtors	9	75.7	61.4
Bank balances and short-term deposits		25.4	30.4
		141.4	129.8
Creditors			
Amounts falling due within one year	10	54.4	44.5
Net current assets		87.0	85.3
Long term financing	11	6.2	5.1
Net assets excluding post-retirement benefit liabilities		132.1	125.4
Defined benefit pension scheme liability – funded	15	48.4	30.6
Other post-retirement benefits liability – unfunded	16	14.8	14.9
Net assets including post-retirement benefit liabilities		68.9	79.9
Funds			
General		132.1	125.4
Pension & other post-retirement benefits reserve		(63.2)	(45.5)
		68.9	79.9

The notes on pages 60–79 form part of these accounts.

Approved by the Press Syndicate on 9 October 2009 and signed on its behalf by
 Dr GORDON JOHNSON, *Chairman of the Press Syndicate*, and
 Mr STEPHEN R. R. BOURNE, *Secretary of the Press Syndicate*.

Notes to the Financial Statements

for the year ended 30 April 2009

1. Accounting policies

Basis of accounting

The Annual Report and Accounts for the year ended 30 April 2009 have been prepared in compliance with the Statement of Recommended Practice: Accounting and Reporting by Charities (revised 2005) (“the SORP”), and with applicable accounting standards. The financial statements are prepared under the historical cost convention as modified by the inclusion of investments at market value.

In accordance with the exemption provided by FRS 1 the Press does not present a cash flow statement, on the basis that the ultimate parent prepares a consolidated cash flow statement which includes these results.

Transactions with the University of Cambridge

In accordance with the exemption conferred by FRS 8, the Press has not disclosed related party transactions with the University of Cambridge and subsidiary undertakings where at least 90 per cent of a subsidiary’s voting rights are controlled within the group headed by the University.

Basis of consolidation

The consolidated financial statements include the financial statements of the Press and its subsidiary undertakings made up to 30 April 2009, with the exception of Cambridge University Press India (Private) Ltd which prepares financial statements to 31 March. This entity has been consolidated using management information at 30 April 2009.

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.

In accordance with the exemption in paragraph 397 of the SORP the Press has included in its financial statements only a consolidated Statement of Financial Activities.

Value of publishing and printing services supplied

The value of publishing and printing services supplied represents the amount of goods and services, net of value added tax and other sales taxes, excluding trade discounts and anticipated returns, provided to external customers. In the case of books and printing, income is recognised upon delivery of the goods to the customer. In the case of journals, income is recognised when the journal is published. Payments received in advance are initially recorded as deferred income. The provision for anticipated returns are based primarily on historical return rates.

Governance costs

Governance costs consist of audit fees and other professional fees together with a proportion of senior executive costs related to strategic development and compliance.

Taxation

Cambridge University Press is not subject to taxation on charitable activities undertaken in the United Kingdom, nor in the majority of its principal Branch locations, namely Australia, Brazil, Spain, Singapore and the United States of America.

The charge for taxation is based on the net income for the year on activities which are not covered by charitable exemptions and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. No deferred taxation has been provided as, in the opinion of the Press Syndicate, the balance is immaterial to the financial statements.

Investments

Invested funds are stated at market value. As a result, the Consolidated Statement of Financial Activities does not distinguish between the valuation adjustments relating to sales and those relating to continuing holdings, since they are together treated as changes in the value of the investment portfolio during the year. Investments in subsidiary undertakings are held at historic cost.

Intangible fixed assets

Intangible fixed assets consist of goodwill and booklists. Goodwill represents the excess of the consideration given over the fair value of the net assets acquired in an acquisition. Goodwill is amortised by equal annual instalments over its estimated useful life. Book lists purchased separately are capitalised at cost.

Booklists acquired as part of an acquisition are capitalised at their fair value where this can be measured reliably and are fully amortised by equal annual instalments over their useful economic lives.

Tangible fixed assets and depreciation

Fixed assets are stated at cost, less depreciation. Assets costing less than £5,000 per individual item are expensed in the period in which they are acquired.

Depreciation is provided on all fixed assets at rates calculated to expense the cost of each asset on a straight line basis over its expected useful life, as follows:

	Estimated life for depreciation
Freehold properties	50 years
Plant, machinery and vehicles	4 to 10 years
Leasehold improvements	Over the life of the lease
Intangible assets	5 years

Stock and work in progress

Stock and work in progress are stated at the lower of cost and net realisable value after making provision for slow moving and obsolete items. Where development expenditure is incurred on clearly defined projects whose outcome can be assessed with reasonable certainty, the costs are deferred and amortised from the month of publication over the lesser of the life of the project and 3 years. In order to estimate net realisable value, the Press fully provides for any stocks in excess of 18 months' worth of sales with publication dates more than two years old.

Debtors

Debtors are recorded net of bad and doubtful debt and credit note provisions.

Foreign currency translation

Financial statements of foreign operations, for which the functional currency is the local currency, are translated into sterling using the exchange rate at each balance sheet date for assets and liabilities, and at weighted average exchange rate

for the Statement of Financial Activities.

Pensions

The Press operates a number of defined contribution and defined benefit pension schemes. The assets of all the schemes are held in separate trustee-administered funds. For the defined contribution schemes, the amounts charged in the Statement of Financial Activities represent the contributions payable to the scheme in respect of the accounting period.

For the defined benefit schemes, the scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The pension scheme deficit is recognised in full within the balance sheet. The movement in the scheme deficit is split between resources expended, pension finance costs, and, in other recognised gains/(losses), actuarial gains and losses.

Other post-retirement benefit obligations

The Press provides post-retirement medical and insurance benefits to certain retired employees of the Press in both the United Kingdom and United States of America. Liabilities in respect of these benefits are calculated based on actuarial assumptions at each balance sheet date.

Leases

Rentals paid under operating leases are charged against income on a straight line basis over the lease term.

2. Income from invested funds and bank balances

	2009	2008
	£m	£m
Re-investment of distributions from invested funds	0.3	0.7
Pension and post-retirement finance cost	(2.9)	(0.4)
Interest on bank deposits	0.9	0.7
Total income	(1.7)	1.0

3. Costs of activities in furtherance of charity's objectives

	2009	2008
	£m	£m
Staff costs	58.8	57.9
Other costs in connection with publishing and printing activities	141.2	119.6
	200.0	177.5

Staff costs consist of

Gross wages and salaries	52.5	45.8
Employer's national insurance	4.9	4.4
Pension cost	2.8	6.8
Other post-retirement benefits	(1.4)	0.9
	58.8	57.9

The monthly average number of permanent staff was	1,793	1,748
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Other costs

Fees for external audit services were £198,000 (2008 £235,500).

Payments for non-audit work in the year £100,290 (2008 £91,980).

Fees for internal audit services were £22,746 (2008 £16,683).

Restructuring costs net of contract termination settlement amounted to £204,000 in the year.

4. Intangible fixed assets: Group

Cost	Book lists	Goodwill	Total
	£m	£m	£m
1-May-08	5.3	5.2	10.5
Additions in year	–	1.2	1.2
Foreign exchange differences	0.1	0.5	0.6
30-Apr-09	5.4	6.9	12.3

Amortisation			
1-May-08	3.2	3.5	6.7
Charge for the period	1.2	0.6	1.8
Foreign exchange differences	0.2	0.1	0.3
30-Apr-09	4.6	4.2	8.8

Net book value			
30-Apr-09	0.8	2.7	3.5
30-Apr-08	2.1	1.7	3.8

Intangible Fixed Assets: Press

Cost	Book lists	Goodwill	Total
	£m	£m	£m
1-May-08	7.3	1.4	8.7
Additions	–	1.2	1.2
Foreign exchange differences	0.1	–	0.1
30-Apr-09	7.4	2.6	10.0

Amortisation			
1-May-08	3.8	1.4	5.2
Charge for the year	1.2	0.2	1.4
Foreign exchange differences	0.1	–	0.1
30-Apr-09	5.1	1.6	6.7

Net book value			
30-Apr-09	2.3	1.0	3.3
30-Apr-08	3.5	–	3.5

Acquisition of Archive Editions Ltd

	£m
Net assets acquired at book value	0.5
Fair value adjustments	–
Fair value	0.5
Goodwill arising	1.2
Total consideration in cash	1.7

5. Tangible fixed assets: Group

	Freehold property	Plant, machinery, vehicles & office equipment	Leasehold property	Total
	£m	£m	£m	£m
Cost				
1-May-08	35.3	26.8	3.1	65.2
Additions	0.3	4.5	1.4	6.2
Transfers	(1.0)	–	1.0	–
Disposals	–	(4.5)	–	(4.5)
Foreign exchange differences	3.3	1.6	0.9	5.8
30-Apr-09	37.9	28.4	6.4	72.7
Accumulated depreciation				
1-May-08	4.2	16.2	0.4	20.8
Charge for the period	0.6	3.0	0.3	3.9
Disposals	–	(3.6)	–	(3.6)
Foreign exchange differences	0.3	1.0	0.2	1.5
30-Apr-09	5.1	16.6	0.9	22.6
Net book value				
30-Apr-09	32.8	11.8	5.5	50.1
30-Apr-08	31.1	10.6	2.7	44.4

Tangible fixed assets: Press

	Freehold property	Plant, machinery, vehicles & office equipment	Leasehold properties	Total
	£m	£m	£m	£m
Cost				
1-May-08	34.9	10.9	3.1	48.9
Additions	–	3.6	1.3	4.9
Reclassification	(1.0)	–	1.0	–
Foreign exchange differences	3.3	1.2	1.0	5.5
30-Apr-09	37.2	15.7	6.4	59.3
Accumulated depreciation				
1-May-08	4.2	4.7	0.3	9.2
Charge for the period	0.6	2.0	0.3	2.9
Foreign exchange differences	0.3	0.7	0.2	1.2
30-Apr-09	5.1	7.4	0.8	13.3
Net book value				
30-Apr-09	32.1	8.3	5.6	46.0
30-Apr-08	30.7	6.2	2.8	39.7

6. Fixed asset investments: Group and Press

	Group Investment in joint ventures	Press Shares in Group undertakings
	£m	£
At 1 May 2008	–	2.0
Additions	1.4	–
Share of joint venture loss for the year	(0.2)	–
30-Apr-09	1.2	2.0

The principal undertakings in which the Group's interest at the period end is more than 20% are as follows:

	Country of Incorporation	Principal activity	Class and percentage of shares held	
Subsidiary undertakings			Group	Press
Cambridge University Press (Holdings) Limited	England	Holding company	2 ordinary £1 shares 100%	2 ordinary £1 shares 100%
Cambridge – Hitachisoft Educational Solutions PLC	England	Electronic educational publishing	39,000 ordinary £100 shares 60%	
Cambridge University Press South Africa (Proprietary) Ltd	South Africa	Academic and educational book publisher & distributor	1,000 ordinary ZAR 1 shares 100%	
Cambridge University Press India (Private) Ltd	India	Academic and educational book publisher & distributor	642,697 ordinary INR 10 shares 51%	
Cambridge University Press Japan KK	Japan	Representative office	200 ordinary Yen 50,000 shares 100%	
Cambridge Knowledge (China) Limited	Hong Kong	Representative office	10,000 ordinary HK\$1 shares 100%	
Cambridge Global Grid for Learning Limited	England	Electronic educational publishing	2.8m ordinary £1 shares 100%	
Cambridge Printing Services Ltd	England	Printing Services	2 ordinary £1 shares 100%	
United Publishing Services Ltd	Hong Kong	Distribution	200,000 HK\$10 shares 100%	
Cambridge Archive Editions Ltd	England	Publishing	100 ordinary £1 Shares	
Joint ventures				
Cambridge English360 Ltd	England	Electronic educational publishing	878,394 ordinary shares 50%	

Cambridge – Obeikan Ltd	Saudi Arabia	Academic and educational book publisher & distributor	3,000 ordinary shares 50%
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None of the subsidiary undertakings is a registered charity.

Cambridge University Press (Holdings) Limited is a multi-purpose holding company, one of whose purpose is to simplify the process of raising funding from financial institutions.

Cambridge University Press Japan KK is a Japanese company established to provide the Press with improved access to the Japanese market.

Cambridge-Hitachisoft Educational Solutions PLC is the Press's e-learning joint venture with Hitachi Software Engineering.

Cambridge Knowledge (China) Limited is a Hong Kong based company established to provide the Press with improved access to the Chinese market.

Cambridge Global Grid for Learning Ltd is launching an online exchange of diverse and rich digital resources for teachers and learners worldwide.

Cambridge Printing Services Ltd provides printing services.

Cambridge University Press South Africa (Proprietary) Ltd is the academic and educational book publisher & distributor for South Africa.

Cambridge University Press India (Private) Ltd is the academic and educational book publisher & distributor for India.

7. Invested funds: *Group and Press*

Legal & General Investment Management Ltd managed general funds, which were invested in companies listed on recognised UK and international stock exchanges. These general funds were held in unit trusts consisting of UK, US and European equities.

	Total funds	
	2009	2008
	£m	£m
Movements in market value		
Market value at 1 May	–	18.5
Distributions	–	–
Net investment (losses)/gains	–	(2.3)
Disposals	–	(16.2)
Ending market value	–	–

8. Stock and work in progress

	Group		Press	
	2009	2008	2009	2008
	£m	£m	£m	£m
Raw materials	0.3	0.4	–	–
Work in progress	8.8	8.0	7.7	6.5
Stocks of publications	42.6	38.0	32.6	31.5
	51.7	46.4	40.3	38.0

9. Debtors

	Group		Press	
	2009	2008	2009	2008
	£m	£m	£m	£m
Trade debtors	44.9	37.4	32.4	27.7
Other debtors	4.7	3.7	2.8	3.0
Amounts owed by group undertakings	–	–	38.1	28.3
Amounts owed by associated undertakings	0.4	–	–	–
Prepayments and accrued interest	3.6	3.6	2.4	2.4
	53.6	44.7	75.7	61.4

10. Creditors (amounts falling due within one year)

	Group		Press	
	2009	2008	2009	2008
	£m	£m	£m	£m
Bank overdraft	1.4	1.4	–	–
Bank loans	1.2	0.6	0.6	0.4
Creditors for publishing and printing services	20.8	17.9	14.2	10.2
Amounts owed to group undertakings	–	–	6.7	7.4
Deferred Income	17.6	14.5	17.6	14.5
Accrued expenses	18.7	14.0	15.3	12.0
	59.7	48.4	54.4	44.5

11. Creditors (amounts falling due after more than one year)

	Group		Press	
	2009	2008	2009	2008
	£m	£m	£m	£m
Bank loans	6.2	5.1	6.2	5.1
Loan from minority interest	1.0	2.7	–	–
	7.2	7.8	6.2	5.1

Analysis of debt	Group		Press	
	2009	2008	2009	2008
	£m	£m	£m	£m
Falling due:				
Within 1 year	1.2	0.6	0.6	0.4
Between 1 and 2 years	1.2	0.7	1.2	0.5
Between 2 and 5 years	3.2	2.8	2.2	1.5
After more than 5 years	2.8	4.3	2.8	3.1
	8.4	8.4	6.8	5.5

The loan from the minority interest represents an unsecured loan from Hitachi Software Engineering (UK) Limited for general commercial purposes. The outstanding debt bore interest at 2% above the Bank of England base rate until 23 June 2007. From this date the loans accrue interest at 0.3% above the British Bankers Association 6 month LIBOR rate.

On 28 April 2008 the Press drew down a US dollar denominated unsecured fixed rate loan repayable over 10 years with Barclays Bank PLC to provide for the long term funding of the American branch operations. The rate of interest was fixed at 4.50% for the period of the loan.

12. Support for the University of Cambridge

Support for the University of Cambridge in the period, including cash transfers and printing services, amounted to £1.3m (2008 £1.8m).

13. Related party transactions: *Group and Press*

During the year, the Press entered into transactions with Cambridge-Hitachisoft Educational Solutions PLC and Cambridge University Press India Private Ltd.

The Press holds 60% of the issued share capital of Cambridge-Hitachisoft Educational Solutions PLC and re-charged costs totalling £0.8m, charged interest of £0.01m and purchased product totalling to £1.08m during the year. At the year end there was no loan receivable and a £0.1m debtor.

The Press holds 51% of the issued share capital of Cambridge University Press India Private Ltd and sold product totaling to £0.8m in the year. At the year end the trade receivable balance with the subsidiary was £0.4m.

14. Operating leases: *Group and Press*

The annual commitments for assets held under operating lease contracts are as follows:

	Land and buildings		Other		Total	
	2009 £m	2008 £m	2009 £m	2008 £m	2009 £m	2008 £m
Expiry date:						
Less than 1 year	0.2	0.2	0.5	0.5	0.7	0.7
Between 2 and 5 years	0.5	0.7	0.5	2.1	1.0	2.8
After 5 years	1.5	1.3	–	–	1.5	1.3
	2.2	2.2	1.0	2.6	3.2	4.8
					2009 £m	2008 £m
Operating lease charges for the year were					3.2	4.8

15. Pensions

Cambridge University Press operates both defined benefit and defined contribution pension schemes. In the UK, the Press operates a defined contribution stakeholder pension scheme and two defined benefit pension schemes, the Contributory Pension Fund (CPF) and the Senior Staff Pension Scheme (SSPS). In the US, the Press operates the Cambridge University Press Defined Benefit Plan (DBP) and a separate defined contribution scheme. The Press also has immaterial schemes elsewhere in the world. The defined benefit schemes provide benefits based on pensionable pay. Pension costs are determined by independent qualified actuaries and are charged to the Statement of Financial Activities so as to spread the cost of pensions over employees' working lives with

the Press. The assets of all the schemes are held in separate trustee-administered funds. All of the Press's defined benefit plans have been closed to new members and the US DB scheme was further curtailed during 2009.

A triennial valuation of each UK defined benefit scheme was undertaken by independent qualified actuaries at 1st January 2007, using the Attained Age Method in the UK and the Projected Unit Credit Cost Method in North America, and the annual contributions to the schemes are paid in accordance with their recommendations.

The total current service cost of the defined benefit schemes in the year ended 30 April 2009 was £0.4m (2008 £4.4m) and for the defined contribution schemes was £2.5m (2008 £2.4m). The latest valuations were carried out by the actuaries for the purpose of the annual accounts on a FRS 17 basis as at 30 April 2009. The assumptions used by the actuaries are the best estimates chosen from a range of possible actuarial assumptions which, owing to the timescale covered, may not necessarily be borne out in practice.

Defined Benefit Pension Plans

The information disclosed below is in respect of the whole of the plans for which the Press is the sponsoring employer throughout the periods shown.

	2009 £m	2008 £m
Present value of funded defined benefit obligations	(195.4)	(205.5)
Fair value of plan assets	147.0	174.9
Net liability	(48.4)	(30.6)

Movements in present value of defined benefit obligation

	2009 £m	2008 £m
At 1 May	(205.5)	(202.5)
Current service cost	(3.1)	(4.4)
Gain on curtailment	2.7	–
Interest cost	(13.2)	(11.0)
Actuarial gains/(losses)	21.0	4.2
Benefits paid	8.6	8.1
Exchange adjustments	(5.9)	0.1
At 30 April	(195.4)	(205.5)

Movements in fair value of plan assets

	2009	2008
	£m	£m
At 1 May	174.9	178.6
Expected return on plan assets	11.1	11.4
Actuarial (losses)/gains	(39.8)	(11.5)
Contributions by employer/members	4.8	4.6
Benefits paid	(8.6)	(8.1)
Exchange adjustments	4.6	(0.1)
At 30 April	147.0	174.9

Expense recognised in the statement of financial activities

	2009	2008
	£m	£m
Current service cost	(0.4)	(4.4)
Interest on defined benefit pension plan obligation	(13.2)	(11.0)
Expected return on defined benefit pension plan assets	11.1	11.4
Total	(2.5)	(4.0)

The expense is recognised in the following line items in the Statement of Financial Activities:

	2009	2008
	£m	£m
Investment income	(2.1)	0.4
Cost of Publishing and Printing services	(0.4)	(4.4)
	(2.5)	(4.0)

The total amount recognised in the Statement of Financial Activities in respect of actuarial losses is £18.8m (2008 : £7.3m).

Cumulative actuarial (losses)/gains reported for accounting periods ending on or after 22 June 2002 and subsequently included by prior year adjustment under paragraph 96 of FRS 17 are (£14.7m), 2008: £4.1m.

The fair value of the plan assets and the return on those assets were as follows:

Defined Benefit Pension Plans

	2009	2008
	Fair value	Fair value
	£m	£m
Equities	73.4	90.9
Corporate bonds	61.1	67.8
Property	12.5	15.7
Other	–	0.5
	147.0	174.9
Actual return on plan assets	(28.8)	(0.1)

The expected rates of return on plan assets are determined by reference to relevant indices. The overall expected rate of return is calculated by weighting the individual rates in accordance with the anticipated balance in the plan's investment portfolio.

Principal actuarial assumptions (expressed as weighted averages) at the year end were as follows:

Defined Benefit Pension Plan

CPF & SSPS

	2009	2008
	%	%
Discount rate	6.8	6.5
Expected rate of return on plan assets	6.0	6.2
Expected return on plan assets at beginning of the period	6.2	6.3
Future salary increases	–	–
Inflation assumption	3.2	3.8

DBP

	2009	2008
	%	%
Discount rate	6.0	6.0
Expected rate of return on plan assets	7.5	7.5
Expected return on plan assets at beginning of the period	7.5	7.5
Future salary increases	–	3.5
Inflation	3.0	3.0

In valuing the liabilities of the UK pension fund at 30 April 2009, mortality assumptions have been made as indicated below. If life expectancy had been changed to assume that all members of the fund lived for one year longer, the value of the reported liabilities at 30 April 2009 would have increased by £4.3m.

The assumptions relating to longevity underlying the UK pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows:
 Current pensioner aged 65: 22.1 years (male), 25 years (female).
 Future retiree upon reaching 65: 22.8 years (male), 25.6 years (female).

History of plans

The history of the plans for the current and prior periods are as follows:

Balance sheet

Defined Benefit Pension Plans

	2009	2008	2007	2006	2004
	£m	£m	£m	£m	£m
Present value of scheme liabilities	(195.4)	(205.5)	(202.5)	(190.0)	(182.4)
Fair value of scheme assets	147.0	174.9	178.6	164.7	142.0
Deficit	(48.4)	(30.6)	(23.9)	(25.3)	(40.4)
<i>Experience adjustments</i>					
	2009	2008	2007	2006	2004
	%	%	%	%	%
Experience adjustments on scheme liabilities					
as a percentage of scheme liabilities	(1.9)	(0.4)	(1.1)	(0.3)	(1.4)
Experience adjustments on scheme assets					
as a percentage of scheme assets	(27.1)	(6.6)	2.2	12.0	3.2

The Press expects to contribute a minimum of £4.2m to its defined benefit pension plans in the next financial year.

16. Post-retirement medical benefits

Cambridge University Press provides post-retirement medical benefits to some of its employees in the form of private health, dental care and Lifetime care. The total current service cost in the year ended 30 April 2009 was £0.2m (2008: £0.9m). The US scheme was partly curtailed during 2009 creating a gain on curtailment of £2.6m. The latest valuations were carried out by the actuaries for the purpose of the annual accounts on a FRS 17 basis as at 30 April 2009.

The assumptions used by the actuaries are the best estimates chosen from a range of possible actuarial assumptions which, owing to the timescale covered, may not necessarily be borne out in practice.

The information disclosed below is in respect of the whole of the plans for which the Press is the sponsoring employer throughout the periods shown.

	2009	2008
	£m	£m
Present value of unfunded defined benefit obligations	(14.8)	(14.9)
Deficit	(14.8)	(14.9)
Net liability	(14.8)	(14.9)

Movements in present value of defined benefit obligation

	2009	2008
	£m	£m
At 1 May	(14.9)	(14.2)
Current service cost	(0.2)	(0.9)
Gain on curtailment	2.6	–
Interest cost	(0.8)	(0.8)
Actuarial gains	0.2	0.5
Benefits paid	0.4	0.5
Exchange adjustments	(2.1)	–
At 30 April	(14.8)	(14.9)

Expense recognised in the statement of financial activities

	2009	2008
	£m	£m
Current service cost (Net of curtailment gain)	2.4	(0.9)
Interest on post-retirement medical benefits	(0.8)	(0.8)
Total	1.6	(1.7)

The expense is recognised in the following line items in the Statement of Financial Activities:

	2009 £m	2008 £m
Investment income	(0.8)	(0.8)
Cost of Publishing and Printing services	2.4	(0.9)
	1.6	(1.7)

The total amount recognised in the Statement of Financial Activities in respect of actuarial gains is £0.2m (2008: £0.5m).

Cumulative actuarial gains reported for accounting periods ending on or after 22 June 2002 and subsequently included by prior year adjustment under paragraph 96 of FRS 17, are £1.0m (2008: £0.8m).

Principal actuarial assumptions (expressed as weighted averages) at the year end were as follows:

United Kingdom scheme

	2009 %	2008 %
Discount rate	6.8	6.5
Future salary increases	—	—
Medical premium inflation assumption (Reducing to 9% year ended 2010, 8% year ended 2011, reducing 1% annually to 5% and then constant at 5%.)	10.0	10.0

United States of America scheme

	2009 %	2008 %
Discount rate	6.0	6.5
Medical premium inflation assumption (Reducing to 9% year ended 2010, 8% year ended 2011, reducing 1% annually to 5% and then constant at 5%.)	10.0	10.0

In valuing the liabilities of the scheme at 30 April 2009, inflation assumptions have been made as above. If inflation rates increase by 1%, the reported liabilities at 30 April 2009 would increase by £1.0m.

History of plans

The history of the retirement healthcare plans for the current and prior periods are as follows:

Balance sheet

Retirement Healthcare Benefits

	2009	2008	2007	2006
	£m	£m	£m	£m
Present value of scheme liabilities	(14.8)	(14.9)	(14.2)	(13.5)
Deficit/surplus	(14.8)	(14.9)	(14.2)	(13.5)

Experience adjustments

	2009	2008	2007	2006
	%	%	%	%
Experience adjustments on scheme				
Liabilities as a percentage of scheme liabilities	2.8	(0.3)	(1.2)	0

The Press expects to contribute approximately £0.5m to its retirement healthcare plans in the next financial year.

17. Minority Interest

The minority interest represents 40% of the invested share capital in Cambridge–Hitachisoft Educational Solutions plc and 49% of the share capital in Cambridge University Press India (Private) Ltd.

	2009	2008
	£m	£m
Minority interest brought forward	–	(0.2)
Further investment in subsidiaries	1.0	–
Profit/(loss) for the period	0.2	0.1
Currency translation	(0.1)	0.2
Dividend paid	–	(0.1)
Issue of shares to minority interest	–	–
Minority interest carried forward	1.1	–

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