



CAMBRIDGE
UNIVERSITY PRESS

Annual Report & Accounts

for the year ended 30 April 2010

Cambridge on the internet

An interactive PDF version of this Annual Report can be downloaded from our website at www.cambridge.org/annualreport.

For more information about Cambridge University Press and our products visit www.cambridge.org.



Cover artwork: *Farewell my City of Joy* by Issam Kourbaj, Artist-in-Residence at Christ's College, who was also responsible for *A Cambridge Palimpsest*, published by Cambridge University Press in 2009. (www.issamkourbaj.co.uk)

Annual Report & Accounts

for the year ended 30 April 2010



CAMBRIDGE
UNIVERSITY PRESS

Contents

Executive Summary	7
Chief Executive's overview	8
Publishing programme	12
<i>Academic and Professional books</i>	12
<i>Cambridge Journals</i>	15
<i>Cambridge Learning</i>	16
Administration	22
The Press in the Community	24
Appendices	26
<i>I. Statistical data May 2009 to April 2010</i>	26
<i>II. Awards and Prizes</i>	30
<i>III. Statute J The University Press</i>	34
Annual Accounts	37

Executive Summary

The continued economic turmoil in western markets failed to deflect the Press from the positive performance trends of recent years, except in the key market of the USA, which experienced a torrid first half, before recovering momentum toward year-end.

Principal financial performance indicators for the year ending on 30 April 2010 were as follows:

- **Net Incoming Resources Before Transfers** were £5.1 million, up 50% over 2009. This figure was arrived at after deduction of an additional charge of £1.9 million for pension and post-retirement benefit financing.
- **Revenues grew to £213.3 million**, an increase of 3.3% over the previous year's £206.4 million. The prior year figure included £10.4 million of external printing income as against the current year's £0.9 million, a decrease which reflects the strategic decision to terminate unproductive printing activities for third-party customers. Within the above figures, the Press's own publishing generated revenues of £201.1m, a like-for-like increase of 11.5%. When adjusted for the fall of sterling against other currencies, notably the US dollar and the euro, real growth was 7.3%, a creditable performance, bearing in mind the severe cutbacks in the American markets.
- **Cambridge Learning grew by 12%**, with turnover now exceeding £100 million.
- **Academic and Professional Book sales were £64 million**, a rise of 9%.
- **Scholarly Journals grew to £31 million**, up by 19%.
- **Operating Net Assets rose to £130 million**, sufficient to cover an increased deficit in the Press's pension funds.

Overall, these are extremely satisfactory figures. The strategy of the past few years is now coming to fruition, with greater scale delivering much-improved rewards for the Press, which in turn will enable us to invest further in pursuit of our mission of disseminating knowledge in the world.

Not surprisingly, we remain concerned about the widening gap between the liabilities and assets of the pension funds. This situation is influenced by improved life expectancy, falling interest rates and depressed equity values. We continue to monitor these factors.

The policy of the Press's management and the Syndics has been to continue building the business, with an eye to the general economic recovery, whenever that may come. Given the substantial opportunities offered by the onset of the digital age, this involves a major transformation in the Press's attitudes and activities. We estimate that revenues attributable to digital products already exceed one-fifth of the total, and this figure could rise above two-thirds by 2020. These are exciting times, in which the future shape of Cambridge University Press will be defined. The Press looks forward to addressing that challenge.



Chief Executive's overview

Early in 2010 the Cambridge University Press Board reviewed the Press's mission and goals. The mission remains what it has always been: *To further through publication the University's objective of advancing learning, knowledge and research worldwide.*

Within that mission, we felt it helpful to state explicitly for the first time what the aims are of that publishing:

To operate sustainably for the public benefit a publishing programme that upholds the integrity of the Cambridge name.

In this Annual Report, we measure and describe the Press's performance against these aims over the financial year ending April 2010. For the business to be sustainable, it must create value in a holistic way, for the Press and its staff, and for the communities we serve. While we have taken the view for many years that the advancement of learning is in itself a public good, we are now more than ever conscious of the need to articulate that public good, and to be inclusive in the ways in which we reach and serve the learning and teaching communities. With that in mind, the standards we set ourselves are consistent with those of the University of Cambridge: global, excellent, and transformative in their effects on those we touch.

Achievements

Revenues in the year to 30 April 2010 (hereinafter '2010') amounted to £213.3 million, an increase of 3.3% over the previous year's £206.4 million. At first sight, that suggests an unremarkable performance,

particularly bearing in mind the benefit gained from the strengthening of the US dollar against sterling, which increased the value of our dollar-linked revenues. However, these headline figures disguise the fact that the 2010 figure included external printing revenues of only £0.9 million, as against a 2009 figure of £10.4 million, reflecting a strategic decision to terminate unproductive printing activities for external customers. This means that our core business as a publisher generated revenues of £201.1 million in 2010, a like-for-like increase of 11.5% over 2009's £180.4 million.

Throughout the first decade of the 21st century, the management has kept faith with a belief in the long-term wisdom of developing its customer base in dollar-linked economies. Despite the years when sterling was in the ascendant, that policy has served us well, and 2010 was no exception. The dollar and, to a lesser extent, the euro, contributed some 4% to revenue growth, though this still leaves real growth of 4.4%, a creditable performance against a difficult economic background, especially in the USA, our largest market.

Cambridge Learning, comprising school books and English Language Teaching materials, grew by 12% to exceed £100 million in turnover. The fastest growing market for our Educational publishing was in India. Blended solutions involving delivery through books and ICT began to contribute materially to our ELT business.

Academic and Professional publishing grew by 13% to almost £95 million, against a

challenging backdrop in terms of public funding in major markets. Landmark book publications included the completed *Cambridge History of Christianity* and the *Dictionary of Irish Biography*, published to universal acclaim.

The Journals business grew by 19% to £31 million, retaining all existing partnerships with learned societies, acquiring new ones, and increasing levels of impact and indexing. Cambridge continues to be recognised by the academic community as a publisher whose interests are aligned with those of its customers, offering valuable material at affordable prices.

After several years of sustained and successful investment in building the business in order to reap the benefits of economies of scale, the Press shifted its tactics to concentrate on controlling its costs. We did not fall into the trap of adopting a slash-and-burn mentality in response to the deteriorating macro-economic environment, preferring instead to keep investing in growth and in the opportunities presented by a rapidly developing technological landscape. Continued investment in imaginative experimentation must surely be the right path toward building a service fit for the expectations of 21st-century customers.

The result of these policies was that Net Incoming Resources Before Transfers rose from £3.4 million to £5.1 million, an increase of 50%. This welcome improvement in bottom-line performance came despite an additional pension and post-retirement finance charge of £1.9 million. Notwithstanding that increased burden, Net Income growth was in keeping

with our Strategic Plan, and delivered additional resources with which to fund the transformation of the Press into a leader in digital-age publishing.

At this stage, we should perhaps clarify where the Press is going. Public demand is moving inexorably toward electronically delivered product, so the Press will aim to service that requirement. At the same time, we believe that demand for printed books will continue for many years to come, in the classroom, in university libraries and in the home. We will continue to service that requirement, too.

Turning to the Balance Sheet, the picture at 30 April 2010 is less pretty than 12 months earlier. Despite Net Assets of the operating business having risen from £124.2 million to £130.6 million, the effect of booking further provisions in respect of the Press's increased pension fund deficit is that the Press's Funds have fallen to £34.4 million, down from £61.0 million. Three factors influenced the pension funds' figures: improved life expectancy; a fall in interest rates; and depressed equity investment values. We look forward to continued improvement in the first of those factors (despite its negative actuarial consequences), and we believe that there is good reason to anticipate that the latter two will move in the pension funds' favour before too long. Meanwhile, the Press and the Trustees are maintaining a constructive dialogue, with a view to securing the best interests of the funds' beneficiaries over a sensible time-frame.

New media

The formats in which we publish have been transformed in the last few years. 2009 saw the launch of the Press's *Cambridge Books Online* business, a proprietary platform which already delivers over 6,000 titles and enjoys fast take-up in Asia and the Americas. Major reference works such as the *Dictionary of Irish Biography* are also available online. Cambridge Journals Online, our earliest internet-based enterprise, now generates over one million article downloads per month.

Our Learning businesses, too, are in a period of rapid change. The past year has seen the launch of *English360*, a platform that enables schools to deliver blended learning for their business clients. The Touchstone blended course has been rolled out to pioneer campuses in three continents, and we expect it to become a core component of our adult- and university-level ELT business in the coming years. It is delivered through the Press's own *Learning Management System* (LMS), which offers a uniquely appropriate environment for language teaching and learning.

Investment in both front- and back-office technology has enabled us to deliver products to satisfy the massive community of mobile phone users, and we are now able to supply large numbers of books to order, from digital files, thereby avoiding the need to hold significant stocks in warehouses.

Customers, communities and standards

What does all this mean for our relationships with customers? The phenomenon of the

buying consortium – a group of customers with common needs that we can satisfy collectively – has been with us for many years in the world of Journals, but with *Cambridge Books Online* we have started to come to terms with it also for our Books business. Customers themselves have grown: individual universities and even chains of universities or schools have articulated needs that we meet not just through our traditional areas of expertise in content and delivery on paper, but also through delivering management solutions through our LMS.

For the local communities in some 40 countries where our people live and work, we continue to commit time and resources to help with special educational needs. At the same time, we have retained our focus on ethical sourcing and processing of raw materials, and we have retained our accreditation to ISO 14001, the Environmental Management standard. We believe our partnerships with community organisations such as DAISY, in India, giving access to Press publications for large numbers of blind and partially sighted people, represent a pattern that could well be adopted more widely in the publishing industry.

This report also contains a listing of awards and prizes won by the Press and its authors in the past year. One particular highlight in this regard was the 2010 BETT Award for Primary Digital Content, for our *Race to Learn* product developed in collaboration with the Williams Formula 1 racing team. This is a complex piece of software delivered in a short time and to a demanding budget, that brings digital learning about the modern world to tens of thousands of schoolchildren. It does so in an exciting

format, and this is important: if we can deliver learning in ways that also entertain, children will be increasingly eager to learn and to develop problem-solving skills.

The Press's people

None of this year's achievements could have occurred without the skill and enthusiastic engagement of the Press's 1,900 people worldwide. I am immensely proud to count myself as a colleague of theirs.

My wholehearted appreciation also goes to the several Syndics whose terms of office came to an end in 2010. I welcome Professors Colleen McLaughlin and Joan Lasenby to the Syndicate, and we are fortunate to be able to draw on the expertise of Professor Ron Carter, Mr Jo Whitehead, Sir David Bell and Mr Jim Potter variously as newly co-opted members of the Press's Publishing, Finance and Audit Committees.

But 2010 is a landmark year for the Press, in that Dr Gordon Johnson retires in December after 30 years as a Syndic, including 16 as Chairman of the Press Syndicate.

In 1993, when Gordon took over the reins as Chairman, the Press was publishing some 1,450 new titles annually and generating £80 million in sales revenues from those publications. No one could have been better suited to the role of leading the growth of the Press between then and 2009. Gordon's passion for disseminating knowledge was matched by his understanding of the needs of overseas markets. His own involvement with India meant that he was an enthusiastic visitor to foreign markets, always ready to promote

both the Press and the University, and to offer encouragement to the Press's staff in its many overseas locations. As a consequence, the Press has become the recognised face of the University of Cambridge in some 200 countries across the globe.

The past two decades have been the beginning of a period of transformation for the Press, driven by the digital revolution and by consolidation within the publishing industry. Throughout this era, Gordon's guiding principle was that the Press should maintain the highest quality of academic publication, while shaping itself to take on the forces of fierce competition in its marketplace.

A key driver in the strategy was to build an English Language Teaching business, which recognised the enormous worldwide demand for English as a global lingua franca. Another element to which Gordon gave his fearless support was a robust engagement with the nascent world of digital publishing. Now a £213 million business, with annual publishing output of some 2,500 titles, the Press represents the gold standard in the industry and has achieved the reputation for integrity, quality and reliability which he sought. As a result, the Press has twice won The Queen's Award for Export Achievement.

Gordon's judgement, dedication and firm guiding hand are recognised by the Press's staff and Officers as critical features in this success story. We owe him a great debt of gratitude.



Stephen R. R. Bourne Chief Executive

Publishing programme

Academic and Professional books

Despite the worldwide backdrop of economic uncertainty which prevailed throughout the financial year ending April 2010, the Academic and Professional Division increased its overall sales revenue by 13% to just under £95 million and was notably successful in achieving its main strategic goals:

- to work with a global community of authors, editors and contributors to produce high-quality, peer-reviewed material that meets the needs of students, researchers and practitioners around the world;
- to develop the expertise to deliver that material to customers in the format that suits them best, whether print or electronic;
- to build long-lasting relationships with authors and readers;
- to foster partnerships with scholarly and professional societies; and
- to do all of this within a sustainable financial framework that allows the Press both to invest in technology and people and to make a contribution to the University.

Global sales from all Academic and Professional book publishing activities rose by 9% to £63.75 million. In the Americas (where library budgets and consumer confidence were particularly hard hit), sales in dollars fell slightly but, taking exchange rate gains into account, rose by 2% in sterling. Sales in the EMEA region (Europe, Middle East and Africa) rose by 14%, while sales in the Asia-Pacific region rose by 16%. In terms of overall book sales, the

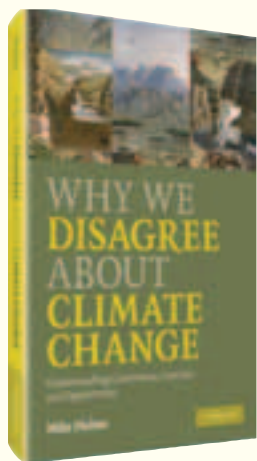
Americas represented 44%, EMEA 39% and Asia-Pacific 17%.

Much of this strong sales performance was driven by a record level of productivity. Overall, 1,720 new titles were published, an increase of 23% on the previous year. The efficient delivery of this number of titles, to the highest standards of design and manufacture, is a tribute to the skill and dedication of the Group's production staff. In addition, as part of an active programme of producing short-run and print-on-demand versions of previously published Cambridge books, a further 852 out-of-print titles were reissued.

Global sales of **Humanities and Social Sciences** (H&SS) books rose by 10% to £40 million, with publishing output increasing by 24% to 1,166 new titles.

There was double-digit revenue growth in music (up 24% to £0.98 million), language and linguistics (up 13% to £2.86 million), politics (up 10% to £4.14 million), economics and management (up 16% to £3.44 million) and law (up 13% to £4.53 million). This performance reflected the strategic commitment to a strong output of research monographs combined with upper-level undergraduate and graduate textbooks and scholarly reference volumes. It also underpinned the creation of two new editorial posts, in history and law.

Highlights included *Causality* (second edition), by Judea Pearl, and two titles selected by *The Economist* among its 'Books of the Year': Mike Hulme's *Why We Disagree About*



Climate Change and Robert C. Allen's *The British Industrial Revolution in Global Perspective*.

The Press's political science list (with contributions from both New York and Cambridge editorial offices) was again recognised as the leading scholarly list in this field, ahead of Princeton University Press, in an extensive survey published by the American Political Science Association.

The year saw some major additions to the Press's distinguished series of Cambridge Histories, including *The Cambridge History of Medieval Philosophy*, *The Cambridge History of Chinese Literature* (both of these in two volumes), and *The Cambridge History of the Cold War* (in three volumes). The magisterial nine-volume *Cambridge History of Christianity* was completed with the addition of volume four on *Western Europe, 1100–1500*.

A testament to the enduring attraction of the printed work of reference, and to Irish book-buying habits, was the publication of the nine-volume *Dictionary of Irish Biography*. A joint venture between the Press and the Royal Irish Academy, the *Dictionary* was launched in Dublin Castle in November 2009 by the Taoiseach himself. Over 700 print sets were sold within six months of publication. But today's scholars require electronic as well as print access to reference and research material, with American libraries, in particular, increasingly likely to opt in favour of the e-version over the print. An online version of the *Dictionary*, published simultaneously, has already been updated to supply users with information on more recent figures.

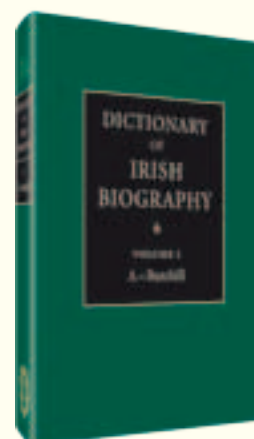
In terms of textbook publishing, new titles such as *Industrial Organization* by Paul Belleflamme and Martin Peitz, *Introducing Morphology* by Rochelle Lieber, and *An Economic History of Europe* by Karl Gunnar Persson will in due course join a growing cohort of mainstream textbooks, of which George Yule's *The Study of Language*, released in March 2010 in its fourth edition, remains the Press's best-seller.

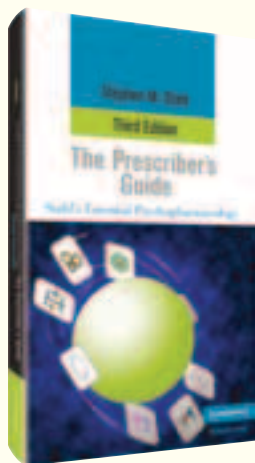
Cambridge Archive Editions, a recent Press acquisition, publishes primary source material in multi-volume collections, many of them relating to the history of the Middle East. Revenues grew substantially ahead of target to £1 million during the year, thanks in part to a major sale to China. Hitherto in print format only, plans are in place to produce electronic versions of these important collections.

Global sales of **Science Technology and Medical (STM)** books rose by 8% to £22.7 million, with publishing output increasing by 21% to 544 new titles.

There was significant revenue growth in computer science (up 17% to £1.31 million), physics (up 23% to £3.15 million), earth sciences (up 11% to £2.43 million), engineering (up 16% to £2.71 million) and medicine (up 12% to £5.01 million). The year provided several examples of progress in meeting key STM objectives such as expanding the range of STM textbooks, developing partnerships, and continuing to build the Press's list of practitioner-oriented titles.

The first two books in a new series launched in collaboration with the African Institute for Mathematical Sciences, a centre created in



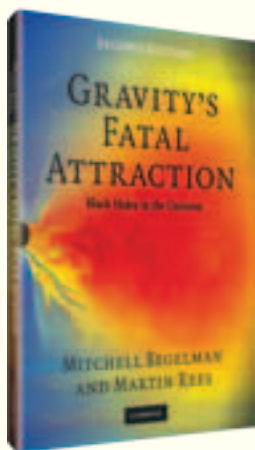


2003 with the support of the Press, were published during the year. An agreement to distribute Wellesley-Cambridge books outside of North America further extended the Press's partnerships in mathematics. This arrangement got off to a flying start, and has received a particularly enthusiastic response in India.

Another year of double-digit growth in engineering was underpinned by several new textbooks, including *Biodesign* by Stefanos Zenios *et al.*, and *Fundamentals of Modern VLSI Devices* (second edition) by Yuan Taur and Tak Ning.

Physics had its best ever year, the expected result of reinvestment in the editorial team three years ago. Key titles included *The Stability of Matter in Quantum Mechanics* by Elliott H. Lieb and Robert Seiringer, and *A First Course in General Relativity* (second edition) by Bernard Schutz. In astronomy and astrophysics the most important title was *Gravity's Fatal Attraction* (second edition) by Mitchell Begelman and Martin Rees. Also significant was *Stellar Evolution and Nucleosynthesis* by Sean G. Ryan and Andrew J. Norton, the first of a series of five books the Press will be publishing in collaboration with the Open University.

Medicine too posted record results, driven by new editions of *The Prescriber's Guide* by Stephen Stahl and *Clinical MR Neuroimaging* by Jonathan H. Gillard *et al.* These results were achieved against a background of organisational change in which the Cambridge office became the sole hub for medical publishing. The list will now focus on a well-defined set of core clinical areas, in which the Press has already demonstrated it can compete internationally.



2009 marked the 200th anniversary of the birth of Charles Darwin, and the 150th anniversary of the voyage of the *Beagle*. Numerous celebrations and events in Cambridge and beyond provided opportunities for the Press to showcase the backlist, and issue new titles. Particular successes included *The Beagle Letters* and a special anniversary paperback set of *The Correspondence of Charles Darwin*.

Also in the life sciences, the seventh edition of the classic *Principles and Techniques of Biochemistry and Molecular Biology* by Keith Wilson and John Walker was published in March 2010, adding to a strong list of textbooks.

The Press's position as the leading publisher in earth and atmospheric sciences was underlined by titles such as *Global Climate Change Impacts in the United States* by Thomas R. Karl *et al.*, and *The Cambridge Handbook of Earth Science Data* by Paul Henderson and Gideon M. Henderson.

Cambridge Books Online was launched in January 2010 to meet the objective of developing a comprehensive electronic offering in response to the growing demand for digital content. Over 6,000 individual academic books are now available, with more being added every day and over 10,000 titles expected by the end of 2010. For the first time, whole digital books can be bought online by institutional libraries direct from Cambridge. Cambridge Books Online was built by a global team, including the Press's own software programmers in Manila. The site offers powerful search and browse tools. Books can

be found quickly and easily, and hyperlinked references allow for cross-searching, making it an excellent tool for interdisciplinary studies. It is also worth noting that e-books in general are a 'greener' option for reading, requiring no paper or physical distribution.

July 2009 saw the launch of a new publishing venture, the **Cambridge Library Collection** (CLC). Working in close collaboration with Cambridge University Library, CLC reissues out-of-copyright books, which are difficult to locate but of continuing value to researchers, and makes them available and affordable by individuals as well as institutions. The 475 titles for the Press's anniversary launch contained clusters on Cambridge University, Darwin, life sciences, literature, Shakespeare, religious studies, history, travel, mathematics and music. During the entire year, 931 titles were published in this programme, generating sales revenue of £140,000.

Within the **Bibles and Prayer Books** list, the publication of the Press's first Bibles in the New Living Translation and a fresh setting of the New Testament & Psalms in the New Revised Standard Version continued the process of developing a range of offerings in modern Bible versions. These are made in response to changing readership requirements, although the Press continues to support its traditional strengths in the King James Version and the Book of Common Prayer. Sales performance across the major market segments was encouraging: the United Kingdom exceeded expectations despite some significant closures within the specialist Christian retail and

wholesale sectors, and North America continued its pattern of modest growth. Overall, sales revenue exceeded £1 million for the third consecutive year.

The global economic climate for the next financial year remains volatile for all scholarly and professional publishers, but the Press is well prepared to navigate testing market conditions. Delivering material of the highest quality to a worldwide community of students, researchers and practitioners remains the Press's core commitment, and also provides a secure foundation for continued growth.

Cambridge Journals

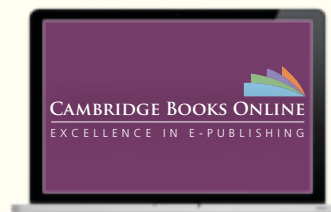
Revenue from sales of Cambridge Journals increased by nearly 20% over the previous financial year, totalling £31 million from 250 journals. These strong results were due to winning new business, expanding consortia sales and making further income from licensing. The development of and demand for the Cambridge Journals Digital Archive provided further success.

A key strategy is to retain existing journals by focusing on the provision of market-leading services and solutions across editorial, marketing and production, through recruiting and developing people and technology. As a result the Press retained all the key journals that came up for renewal in the last three years.

The acquisitions strategy has concentrated on attracting the very best journals in their respective fields. Cambridge has formed an exciting new publishing partnership with the Materials Research Society (MRS) based in Pittsburgh, USA, which includes the publication



Cambridge Library Collection





of its flagship publications—*MRS Bulletin*, *Journal of Materials Research*, *MRS Online Proceedings Library (OPL)* and *Materials360*[®]. This partnership fully involves Cambridge's publishing expertise in pursuit of new journals, book series and online products encompassing the full range of materials science and engineering. From 2011 Cambridge will also publish *Pre-Hospital and Disaster Medicine* for the World Association for Disaster and Emergency Medicine (WADEM).

The Humanities and Social Sciences Journals group also had a productive year, with agreements for 13 additional titles for 2011. The leading journal on African ethnography and anthropology, *Africa*, along with an online bibliography of African Studies, will be published on behalf of the International African Institute.

The aim to expand journals in the areas of business and management has been realised by the addition of *Business History Review*, published on behalf of the Harvard Business School, the foremost journal in its field. A new partnership has been forged with the Actuarial Profession, a body representing the Institute of Actuaries and the Faculty of Actuaries, the two chartered professional bodies for UK actuaries, whose publications include *The British Actuarial Journal* and the *Annals of Actuarial Science*.

Cambridge journals rate highly in terms of usage and impact. The 2009 Journal Citation Reports (JCR), a widely used tool for assessing the world's leading journals, ranked *Behavioural and Brain Sciences* number one for the tenth year running. Another measure of recording impact is acknowledged by the

indexing of major journals. Five journals from H&SS were included for indexing in the last year, part of an overall increase of 18% for H&SS; STM journals increased by over 10%. Cambridge Journals regularly outperform their categories by three or four times the average, and this year was no exception.

Six Cambridge journals are participating in the Publishing and the Ecology of European Research (PEER) project, to investigate the effects on usage and subscriptions of depositing authors' accepted manuscripts in repository archives. The Project is funded by the European Union and should be completed in 2011.

Growth over the last three years has enabled the expansion of both H&SS and STM editorial teams. Further staff have been recruited for key facilities such as online peer review systems and conference booking services to help societies with large and complex membership arrangements.

Cambridge Learning

The financial year ending April 2010 marked a milestone for Cambridge Learning, as many of its longer-term objectives were realised. For the first time, English Language Teaching and Education together exceeded £100m in revenue, 51% of the Press's total publishing income. Overall growth was 12% above the previous year, well above industry average. ELT, representing 79% of the total Learning business, showed 14% growth. Education, representing the other 21%, grew by 5%, encountering difficulties in the South African and Caribbean markets. Global output was



almost identical to the previous year, with a total of 1,298 ISBNs, including non-print items.

Printed material remains crucial, but as the demand for blended learning across Education and ELT increases, so digital output has expanded.

In ELT the revenue split between the regions remained fairly consistent, with Europe, Middle East and Africa accounting for 46% of total revenue, Asia-Pacific 22% and the Americas 32%. The best performance came from Spain where ELT revenue grew by 19%. Significant growth also came from the rest of Europe (12%), India (14%) and Brazil (10%), helped by favourable exchange rates. Excellent performances in these regions compensated for difficulties in other markets (North America, Japan, Korea, Taiwan). Of the total ELT sales revenue, 55% comes directly from sales of product from the Cambridge publishing centre, and another 31% from sales of products published in New York. Of the remaining 14%, about 85% of items published by the smaller publishing centres are adaptations of Cambridge or New York content. These figures emphasise the critical importance of the two major publishing centres.

Given the changing nature of the Learning business towards more focused, blended solutions, it has become increasingly important to strengthen the management team and to coordinate activities globally. In order to support this aim, a number of key appointments were made during the year: Patricia Coryell and David Harrison became ELT Group Directors in the Americas and EMEA respectively; Paul Colbert became Commercial

Director, Digital; Ron Ragsdale became Global Publishing Director; Geoff Staff became Director, Global Publishing Operations; and Bryan Fletcher became Director, On-line Learning.

Cambridge continues to strengthen its position as intellectual leader through its world-renowned corpus – now including about 1.5 billion words – the Cambridge Applied Linguistics series, and contributions to the *English Profile* programme. The publication of *Reading in a Second Language* by William Grabe in the Cambridge Applied Linguistics series and *Examining Reading* (Vol. 29) by Hanan Khalifa and Cyril J. Weir in the Studies in Language Testing series further augmented Cambridge's mission to advance learning, knowledge and research worldwide.

ELT retained its leading position in courses for adults with a revenue increase of 10% over the previous year and the launch in April 2010 of the new international flagship course *English Unlimited*, together with an adaptation for the Spanish market. The adaptation of *Touchstone* for Saudi Arabia and the localised edition of *face2face* for Spain have tripled sales of the international editions in those markets. Further additions to the *Ventures* course, aimed at the Adult Education market in North America, helped it to grow by an exceptional 76%.

A key objective has been to increase ELT's presence in the schools market. For the fourth year running revenue from primary and secondary courses expanded significantly, achieving 37% over last year, driven by new courses: *Kid's Box*, *Playway* (second edition), *More!*, *Connect* (second edition), and *English*



Madrid office: best ELT performance





in Mind (second edition). Key regional activities included the co-publication of the China editions of *Kid's Box* and *Playway*, a localised edition of the former for Spain, various derivatives of *English in Mind* and the completion of *Cambridge Express*, an eight-level English series for primary and secondary schools for India, including a version for Pakistan. The publication of Cambridge Discovery Readers contributed to a 13% increase in the revenue from this strand of Press publishing. Two readers from this series, *Gone!* by Margaret Johnson and *The Mind Map* by David Morrison were nominated for the Extensive Reading Foundation Awards, as well as one reader from the Cambridge English Readers collection, *The Best of Times* by Alan Maley. Michael Tomlinson was a final nominee for the prestigious ELTON (British Council Innovations) awards; for two consecutive years this honour was bestowed on a Cambridge primary product.

After many years of investment, responding to the impact of technology on the learning and teaching of English, the Press's ELT list now includes innovative digital solutions. An online assessment programme is being implemented in a number of HSBC sites in Asia. The first two levels of *Let's Talk Online* were developed with an external partner, and launched in Japan and China. Another milestone was the launch of the *Touchstone* blended course in the Cambridge Learning Management system, at first limited to a small number of university campuses but set to increase in the coming year. On its 25th anniversary, *English Grammar in Use* has moved into the digital age with the

launch of two new applications for the iPhone and iPod Touch. Its leading position and popularity was marked this year by the production of a silver-covered hardback edition and worldwide grammar competition. Other digital initiatives were the launch of a Cambridge ELT YouTube channel, various Facebook sites for courses and the launch of an improved website which includes the Applied Linguistics Zone with video on demand software.

Examination-preparation courses and Exams Practice Tests grew by 21% and 26% respectively, The principal exam publications included two new PET courses: *Objective PET* (second edition), and *Complete PET* (second edition), along with *Fun for Starters*, and *Movers and Flyers* (second edition).

Specific strategies have been adopted to expand the range and depth of the lists in English for Special (ESP) and Academic Purposes (EAP). Both areas have achieved remarkable growth for three consecutive years. Most notable was the publication of *Contact US*, a course aimed at the Business Process Outsourcing Industry for call centres and *Academic Encounters: the Natural World*. The main growth came from *Infotech* (fourth edition), and the new Cambridge English for... series, particularly *English for Engineering*. In addition, the first grammar for specific purposes, *Grammar for Business* by Michael McCarthy, Jeanne McCarten, David Clark and Rachel Clark, was launched.

Cambridge ELT continued to dominate the self-study market with its powerful 'In Use' brand and expanded its range with the



Grammar in Use iPhone apps

publication of the second edition of *English Vocabulary in Use Elementary* and a new advanced level of *English Idioms in Use* by Michael McCarthy and Felicity O'Dell.

A number of business developments will yield positive results in the future. Cambridge has signed an agreement with Discovery Education, a division of Discovery Communications, to license its video assets for use in a variety of English Language Teaching products. An agreement was signed with the Foreign Languages University, Hyderabad, to co-publish bilingual versions of the *Cambridge Learner's Dictionary*. A new collaboration with Kaplan Pathways International Colleges will create a bespoke EAP course for the Kaplan network.

In **Education**, the revenue split between the regions shifted, with EMEA now accounting for 53% of total revenue (a 7% drop from the previous year), Asia-Pacific for 41% (an 8% increase) and the Americas for 6%. Excellent performance in India and Australia, with growth of 48% and 14% respectively, compensated for the difficulties in South Africa and the Caribbean.

The results in Australia and New Zealand were particularly pleasing in view of the announcement that implementation of the Australian curriculum has been delayed for up to two years from the expected launch in January 2011. This decision has forced significant changes to short-term publishing plans and future projects. The publishing of the study-guide series *Checkpoints* for New South Wales had to be accelerated to replace some of the expected revenue from the curriculum

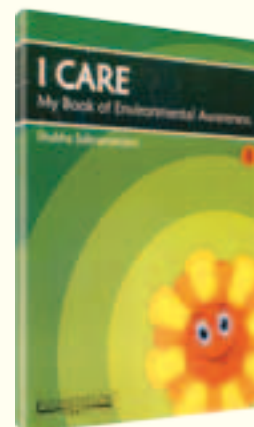
product. Despite the delay, Cambridge First, the umbrella message for the new curriculum, was launched to schools in Australia. The past year saw significant growth in New Zealand, where sales grew by 66%. *Investigating Religion*, published for Queensland, captured 90% of the market. The acquisition of 50% of *HOTmaths*, an innovative online mathematics tool for upper primary and secondary students, was secured.

Significant revenue increase from the Indian schools market has been achieved through sales of new products such as the series *I Care: My Book of Environmental Awareness* (a five-level series), *'I did it' Mathematics* (an eight-level series), *IT Kids* (ten levels) and *I explore* – an eight level science series.

In Europe, the *Cambridge School Shakespeare* series and *IGCSE English as a Second Language* gained further market share. Sales of the latter increased by 31%. For North America, an e-learning resource was added to the market-leading *Cambridge Latin Course* (fourth edition) for North America.

The Caribbean had a disappointing year due to tough economic conditions and a subsequent drop in Ministry orders from Jamaica and Trinidad.

South Africa had a difficult year due to government cuts, while sales in Cameroon and Senegal were strong. Although African Branch results overall were less than buoyant, the consistent provision of high-quality publications and customer care helped the Branch to achieve the Sefika Award for the best large educational publisher – an annual award from the South African Booksellers' Association.





Anticipating the World Cup 2010, hosted in South Africa, *African Soccer Stars and Legends*, a collection of 20 readers was launched. The first two titles in the series *Indigenous Knowledge Library – Great South African Inventions* and *Metallurgy and Mining* – were also published. Another notable event was the publication of the second edition of a children's story, *Chike and the River*, by the Nobel Prize winner, Chinua Achebe, 44 years after the first edition.

A key objective was to speed up the refreshment of existing exam material and to provide new publications for international examinations. As a result 41 titles were published in this area, an increase in output which yielded an exceptional 18% revenue growth from the Cambridge International Examinations (CIE) list (published from both Europe and India) and 15% from the International Baccalaureate list. By offering the most comprehensive range and depth of product, Cambridge continues to dominate the CIE market, with an estimated 45% market share.

The New Directions Group has made a significant contribution to accelerating the Press's digital output through building software platforms for Cambridge Learning, prototyping and innovating in support of the branches and groups, and developing businesses which provide unique services to the educational community. *English 360*, *Global Grid for Learning* and Cambridge-Hitachi promise a new form of relationship with clients in which Press services become embedded in the infrastructure and workflows of their customers.

The Platform Technologies Unit built and deployed the *Cambridge Learning Management System (LMS)* and the *ATLAS Content Authority Platform*. The *Cambridge LMS* provides teachers and students with tools designed to enhance the learning experience, enabling Cambridge Learning to fulfil its online objectives. *ATLAS* drives down development costs for rich media and interactive learning materials whilst delivering state-of-the-art functionality.

The Innovations Unit has established a service which makes rapid prototyping available throughout the Press, including applications for the iPhone, exam preparation delivered via mobile phone for Spain, electronic components for *English Grammar in Use*, and extensions to the functionality of the *ATLAS* platform for New York.

English360, the industry-leading web platform that enables language schools to deliver blended learning for their clients, now benefits from over 9,000 quality-assured activities from 35 Cambridge University Press titles in an environment that facilitates collaboration with a wider teaching community.

Following a period of continuous innovation, *Global Grid for Learning (GGfL)* is now well placed to achieve its stated aim of becoming the leading content broker for education markets worldwide. The development, in partnership with Arizona State University, of a flexible and modular learning platform for end-user collaboration and communication, and of *GGfL On Demand*, its own customised web service designed to store



and deliver digital content, has equipped GGfL with the necessary tools to connect educators and students to a single source of high quality digital learning resources from multiple content providers.

Cambridge-Hitachi has extended its core business of publishing digital resources for teachers to deliver whole-class learning on interactive whiteboards by focusing on a range of organisations whose Corporate Social Responsibility (CSR) agenda is aligned to the educational community. Cambridge-Hitachi's strategy is designed to implement clients' CSR objectives in the following four areas of the curriculum:

- STEM (Science, Technology, Engineering, Maths), which is crucial in addressing the UK's skills shortage;
- PSHE (Personal, Social, Health and Economic education), covering everything from healthy eating to coping with bullies;
- Sustainability, from water usage to global warming, and transport choices to green energy;
- Personal financial literacy for children.

Working with Williams F1, Cambridge-Hitachi developed *Race to Learn*, winner of the 2010 BETT Award for Primary Digital Content. *Race to Learn* was launched in September 2009 to UK primary schools and has been licensed by the London Grid for Learning for online delivery to 2,000 London primary schools. Cambridge-Hitachi and Williams F1 are now expanding the project overseas with several foreign language versions currently in development.



Global Grid for Learning, a flexible learning platform



English360, the industry-leading web platform



Race to Learn was commended by the judges for “superb activities that are highly engaging for children.” They added, “with helpful teacher introduction and age-appropriate activities, *Race to Learn* is a well thought through support for cross-curricular learning”.

Administration

World-class publishing requires investment in systems and processes. The financial year ending April 2010 focused on streamlining the delivery of the Press's educational and scholarly publishing.

Printing

Cambridge Printing completed a business restructure in order to control costs and enhance its relevance to the publishing business. The workforce employed in Printing is now a little over half the size of that in 2008. There has been a concerted effort to raise skills levels and motivation among the remaining staff.

The workflow was re-engineered to gain substantial increases in efficiency both in production and work management processes. Greater control and visibility of orders through the workflow have also been achieved by the development of the management information system. The results of these improvements have surpassed expectations, not just in terms of contribution, but also in the way that staff rallied, after a difficult transitional period, to help deliver them.

Distribution

The main objective for the distribution function during the year was to support initiatives to improve the efficiency of the Press's supply chain. Reducing physical stock holding was a key requirement.

In Cambridge and West Nyack significant savings in the cost of shipping were achieved. Several ongoing projects include the drop-

shipment of products from the printer direct to the customer; development of a distributed print model to facilitate the printing of products closer to market; further development of the manufacture on-demand facility, which reduces the need to store titles while still offering them for sale; and the development of activity-based costing for the distribution function.

A new distribution operation and warehouse hub was set up in Panama to service customers in Central and South America, while the customer service, inventory management and accounting functions are run and managed by the Press operation in Mexico City.

Technology

Major IT initiatives and changes during the year included Cambridge Books Online, launched in January 2010 with 6,500 e-books; the ongoing development of Cambridge Journals Online, which now has over 400,000 registered users and 1 million article downloads each month; successful development of the Cambridge Learning Management System, which provides *Touchstone* online workbooks to over 5,000 teachers and students; delivery of a global Customer Relationship Management solution to Eastern Europe, Brazil and Iberia and a global sales forecasting system for ELT; and new online sites for – among others – the *Dictionary of Irish Biography*, *Microscopy Today* and *GGfL on Demand*. In addition, a full marketing website serving the Learning businesses went live towards the end of the financial year.

The Press Board consolidated the IT teams



into a global technology group under a new Chief Information Officer. The new group will create the product platforms, publishing and back-office IT systems needed to enable business growth. It will also partner the publishing groups and branches to advise on technology developments and their business impact.

Finance

Finance operations focused on the transition to working with the new auditors PricewaterhouseCoopers LLP, improving governance procedures, and the separation of the Journals business from regional management and accounting structures. The aims of these and other finance initiatives were to optimise accountability and performance across regions and business streams.

Legal Services

In response to increased internet piracy of Press books, the legal team was strengthened, and infringing material was removed from the web. At the same time more books were provided in formats accessible to the visually impaired, in line with disability discrimination legislation. Copyright infringement and libel actions were fought and defended, and the legal team were closely involved in national and international policy-formation and legislation on digital issues. Acquisitions and the establishment of new offices required concerted legal input and 3,500 contracts with authors and other suppliers were signed in the course of the year. Over £1 million worth of permissions were granted for the reproduction of Cambridge materials.

The Cambridge Bookshop

The Press's Bookshop achieved total sales of £1,297,000, representing a 4% increase over the previous year. A lease was taken on an adjacent property to provide a modern extension to the main bookshop, showcasing ELT and Education titles and resources. In September 2009 the Learning Centre opened its doors, and customers were offered the opportunity to try whiteboard and interactive products for themselves, while viewing the wide range of books and audio materials. At the end of the financial year ELT sales had increased by 6% and Education sales by 13%.

Displays celebrating the works of Charles Darwin, the Press's 425th anniversary and the 800th anniversary of Cambridge University were highly popular with the many visitors to the shop.



The Press Bookshop and new Learning Centre in Cambridge

The Press in the Community



Pond clearing

During the year the Press adopted a new statement about its relationship with its various communities:

Cambridge University Press has several communities: those involved in education, culture and research, and, crucially, the people in the towns and cities where we live and work.

We seek to support these communities in an imaginative and participative way. We need to understand them, and we need them to understand us, not just as participants in a transaction (buying and selling) but as fellow contributors to excellence in education and sustainability in living spaces. We need to be an embedded part of each community, whether global or local.

Our community engagement, like everything else the Press does, needs to be conducted to a high standard, in a professional and accountable way.

We will set ourselves goals for our community engagement, making Press time, resources, management expertise and sometimes money available to staff and organisations who need it, and making sure that the Press, the staff and the communities we serve achieve real benefits from those inputs.

Community engagement takes on different forms in the different regions where the Press operates. Here are three examples.



A Williams Formula One car. Press volunteers at the University's Science Festival helped children and parents to test their assumptions about aerodynamics.

Africa

In the past year almost all funding for community programmes has gone to the African Branch's partner, the CIDA (Community and Individual Development Association) Empowerment Fund. This money is used to fund bursaries for underprivileged black students to attain business degrees. Other projects involved staff raising funds to supply shoes and socks to disadvantaged pupils at two farm schools, and to support a family of AIDS orphans for a year. On World Book Day staff went out to primary schools to read to pupils and donate sets of books.

Europe

The volunteer programme in Cambridge involved 112 staff members, who each gave a day or more of their time to local schools and environmental programmes. Such programmes help to encourage diversity and sustainability and also provide staff with team-building opportunities.

Support for charities nominated by staff continues. The Press contributed £20,000 to supplement the year's fundraising events. The money was distributed between the *Alzheimer's Research Trust*, *The Connections Bus Project* and *Red Balloon Learner Centres*. For the fourth year running, the Press won the corporate team award when 161 staff, friends and family members joined the annual Bridge the Gap charity walk through the centre of Cambridge.

For the first time this year the Press began supporting staff as school governors and trustees of arts organisations. The partnership with the Britten Sinfonia – one of Europe's best-known chamber orchestras – has continued, with a longer-term strategy enabling the Press and the Sinfonia to work together with schools and other community partners.

The Press retained its registration to ISO 14001: good environmental practice is at the heart of its commitment to being a responsible member of the community. Greenhouse gas emissions for the Cambridge site dropped further, to 7,459 tonnes of CO₂ equivalent, a drop of (23%) from the previous year on a like-for-like basis, driven in part by the restructure of Cambridge Printing. (There has been a change in record-keeping scope driven by the need to adopt the UK Carbon Trust Standard.)

India

The Indian Branch initiated two major community-based projects: MAD (Make a Difference) uses a network of 800 students and young professionals to teach orphaned and homeless children. Cambridge provides teacher training, curriculum design and Cambridge English for Schools textbooks in ten cities across India. In a unique partnership the Press is also working with DAISY (Digitally Accessible Information System) Forum to make Press content available as read-aloud files on computers, free of charge, to India's millions of blind and partially sighted people.



Volunteers from the Cambridge office



Bridge the Gap



Britten Sinfonia

Appendices

I. Statistical data May 2009 to April 2010

NB The following tables do not include digitally reprinted books

Anthropology	3
Archaeology	6
Art	3
Astronomy	23
Cambridge University publications	2
Chemistry	2
Classical studies	56
Computer science	20
Earth and environmental science	31
Economics, business studies	22
Engineering	66
Geography, the environment	1
History	91
Language and linguistics	20
Law	112
Life sciences	28
Literature and drama	81
Management	12
Mathematics	52
Medicine	63
Music	20
Philosophy	28
Physics	42
Politics, social theory, history of ideas	41
Psychology	15
Religion	24
Sociology	2
Total	866

Table 2: New paperback publications from the UK Academic Group	
Anthropology	3
Archaeology	11
Art	7
Astronomy	5
Cambridge University publications	2
Classical studies	24
Computer science	10
Earth and environmental science	20
Economics, business studies	38
Education	2
Engineering	8
Film, media, mass communication	1
General	2
General science	2
Geography, the environment	1
History	78
Language and linguistics	34
Law	74
Life sciences	34
Literature and drama	42
Management	9
Mathematics	50
Medicine	57
Music	8
New Revised Standard Version	1
Philosophy	31
Physics	9
Politics, social theory, history of ideas	107
Psychology	25
Religion	20
Sociology	11
Total	726

Table 3: Sales revenue ranked by country (top 15)

Academic and Professional	Education	ELT
USA	Australia	Spain
UK	South Africa	Brazil
Japan	UK	UK
Germany	USA	USA
Australia	Namibia	Mexico
Canada	Cameroon	Italy
P R China	New Zealand	South Korea
India	P R China	P R China
The Netherlands	Mauritius	Japan
Taiwan	United Arab Emirates	Colombia
South Korea	Singapore	Russian Federation
Italy	India	Poland
Sweden	Jamaica	Germany
Spain	Swaziland	Thailand
Baker Publishing Group (Bibles)	Indonesia	Switzerland

Table 4: Percentage of publishing sales by market split by category (%)

Region	Academic & Professional	Education	ELT	Journals	Bibles	Total
Africa	6	83	8	3	0	100
Americas	43	2	26	29	0	100
Asia	24	5	58	13	0	100
Australia	21	56	14	9	0	100
Brazil	0	0	100	0	0	100
Europe	37	7	35	19	2	100
Iberia	5	0	90	5	0	100
India	23	23	37	17	0	100
Japan	34	0	36	30	0	100
Middle East and North Africa	15	7	73	5	0	100
All	31	10	39	19	1	100

Table 5: Percentage of sales by category split by market (%)

Region	Academic & Professional	Education	ELT	Journals	Bibles	All
Africa	1	31	1	1	0	4
Americas	45	6	22	48	0	32
Asia	6	4	13	6	0	9
Australia	3	29	2	2	1	5
Brazil	0	0	10	0	0	4
Europe	36	20	27	31	99	30
Iberia	1	0	13	2	0	6
India	2	8	3	3	0	3
Japan	5	0	4	6	0	4
Middle East and North Africa	1	2	5	1	0	3
Total	100	100	100	100	100	100

II. Awards and Prizes

Elinor Ostrom, whose book *Governing the Commons* was published by the Press in 1990, was the co-winner of the 2009 Nobel Prize for Economics. This brings to 25 (from a possible 64) the number of Nobel Laureates in Economics published by Cambridge.

Among the awards and prizes for Press publications received in 2009 were:

Sylvia Adamson, Gavin Alexander and Katrin Ettenhuber, *Renaissance Figures of Speech*, listed as *Choice Magazine's* Outstanding Academic Title 2008.

Javier Auyero, *Routine Politics and Violence in Argentina: The Gray Zone of State Power*, winner of the 2008 American Sociological Association Best Book Award in the Political Sociology section.

Karen Barkey, *Empire of Difference*, co-winner of the 2009 Barrington Moore Book Award of the Comparative and Historical Sociology section of the American Sociological Association and winner of the 2009 J. David Greenstone Award of the Politics and History section of the American Political Science Association.

Julie Brown, *Western Music and Race*, winner of the Ruth A. Solie Award for Outstanding Collection of Essays 2008.

Anjan Chakravartty, *A Metaphysics for Scientific Realism: Knowing the Unobservable*,

winner of the Canadian Philosophical Association 2009 Biennial Book Prize.

Nick Collins and Julio d'Escrivan, *The Cambridge Companion to Electronic Music*, winner of the Nicolas Bessaraboff Prize 2009.

David Cortright, *Peace: A History of Movements and Ideas*, selected for an honourable mention at the 2008 London Book Festival.

Jan de Vries, *The Industrious Revolution*, winner of the 2010 Gyorgi Ranki Biennial Prize for Best Book in Economic History of Europe of the Economic History Association.

James H. Donelan, *Poetry and the Romantic Musical Aesthetic*, winner of the 2008 Jean-Pierre Barricelli Prize for Best Book in Romanticism studies.

Christian G. Fritz, *American Sovereigns: The People and America's Constitutional Tradition Before the Civil War*, listed as *Choice Magazine's* Outstanding Academic Title 2008.

Anthony Gill, *The Political Origins of Religious Liberty*, winner of the 2008 American Sociological Association Distinguished Book Award in the section on Religion.

Robert E. Goodin, James Mahmud Rice, Antti Parpo and Lina Eriksson, *Discretionary Time: A New Measure of Freedom*, winner of the 2009 Stein Rokkan Prize, International Social Science Council.

John Hagan and Wenona Rymond-Richmond, *Darfur and the Crime of Genocide*, winner of the Stockholm Prize in Criminology 2009.

Stephen Halliwell, *Greek Laughter: A Study of Cultural Psychology from Homer to Early Christianity*, winner of the 2008 John D. Criticos Prize.

J. P. Harris, *Douglas Haig and the First World War*, winner of the 2008 Templer Medal Book Prize.

Philip N. Howard, *New Media Campaigns and the Managed Citizen*, winner of the International Communication Association Outstanding Book Award 2008.

Noel Jackson, *Science and Sensation in Romantic Poetry*, runner-up for the British Society for Literature and Science Book Prize for 2008.

La Vinia Delois Jennings, *Toni Morrison and the Idea of Africa*, winner of the 2008 Toni Morrison Society Prize for the Best Single-Authored Book.

A. Kavanagh, *Constitutional Review under the UK Human Rights Act*, short-listed for the SLS Book Prize 2009 and the Peter Birks Book Prize 2009.

Simon Keller, *The Limits of Loyalty*, winner of the 2009 American Philosophical Association Book Prize.

Urfan Khaliq, *Ethical Dimensions of the Foreign Policy of the European Union: A Legal Appraisal*, winner of the UACES Best Book Prize 2009 and short-listed for the SLS Book Prize 2009 and the Peter Birks Book Prize 2009.

Thomas Kuehn, *Heirs, Kin, and Creditors in Renaissance Florence*, winner of the 2009 Howard R. Marraro Prize in Italian History, given by the American Historical Association.

F. Kurasawa, *The Work of Global Justice*, winner of the 2009 Best Book Award from the Society for the Study of Social Problems, Global Division.

George Levine, *Realism, Ethics and Secularism: Essays on Victorian Literature and Science*, winner of the British Society for Literature and Science Book Prize for 2008.

Timothy J. Lynch and Robert S. Singh, *After Bush: The Case for Continuity in American Foreign Policy*, joint winner of the Richard E. Neustadt Book Prize 2009.

M. M. Mahood, *The Poet as Botanist*, winner of the Rose Mary Crawshay Prize 2009.

Carlos Marichal, *Bankruptcy of Empire: Mexican Silver and the Wars Between Spain, Britain and France, 1760–1810*, winner of the A. H. Jones Prize from the Economic History Association of the United States for Best Book on the Economic History of North America published in 2006/2007; also winner of the Jaime Vicens Vives Prize for Best Book on Latin

America and Spain published in 2007/2008, awarded by the Spanish Economic History Association.

Magnus Marsden, *Living Islam: Muslim Religious Experience in Pakistan's North-West Frontier*, winner of the 2008 AIPS Book Prize.

James McGuire and James Quinn, *Dictionary of Irish Biography*, winner of the 2009 PROSE award given by the American Publishers Association for Professional and Scholarly Excellence.

Jens Meierhenrich, *The Legacies of Law*, winner of the 2009 Woodrow Wilson Foundation Award, American Political Science Association.

Michael Morris, *An Introduction to the Philosophy of Language*, listed as *Choice Magazine's* Outstanding Academic Title, 2007.

Cas Mudde, *Populist Radical Right Parties in Europe*, winner of the Stein Rokkan Prize for Comparative Social Science Research 2008.

Alain Noël and Jean-Philippe Thérien, *Left and Right in Global Politics*, winner of the 2009 Canadian Political Science Association Prize in International Relations.

Victor A. Peskin, *International Justice in Rwanda and the Balkans: Virtual Trials and the Struggle for State Cooperation*, listed as *Choice Magazine's* Outstanding Academic Title 2008.

Adam Potkay, *The Story of Joy: From the Bible to Late Romanticism*, winner of the 2009 Harry Levin Prize of the American Comparative Literature Association, for Best Book in Literary History and Criticism.

David Pratt, *The Political Thought of King Alfred the Great*, winner of the International Society of Anglo-Saxonists Publication Prize for Best First Book, 2007–2009.

Joachim Radkau, translated by Thomas Dunlap, *Nature and Power: A Global History of the Environment*, co-winner of the 2009 World History Association Book Award.

Philip Sabin, Hans van Wees and Michael Whitby, *The Cambridge History of Greek and Roman Warfare*, winner of a Distinguished Book Award 2009 from the Society for Military History.

Margaret R. Somers, *Genealogies of Citizenship: Markets, Statelessness, and the Right to Have Rights*, winner of the 2009 Giovanni Sartori Book Award, Qualitative Methods and Multi-Method Research section, American Political Science Association.

Carsten Stahn, *The Law and Practice of International Territorial Administration: Versailles to Iraq and Beyond*, winner of the Ciardi Prize 2009.

Christine van Ruymbeke, *Science and Poetry in Medieval Persia: The Botany of Nizami's Khamsa*, co-winner of the Prize in the Field of Iranian Studies from the World Prize for the Book of the Year of the Islamic Republic of Iran.

Carl S. Watkins, *History and the Supernatural in Medieval England*, runner-up for the Katharine Briggs Award 2008.

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

The following Press books received awards from the British Medical Association in 2009:

John A. J. Barbara, Fiona A. M. Regan and Marcela Contreras, *Transfusion Microbiology*, highly commended in the category of Haematology.

Jonathan Benger, Jerry Nolan and Mike Clancy, *Emergency Airway Management*, highly commended in the category of Anaesthesia.

Louis R. Caplan, *Uncommon Causes of Stroke*, 2nd edition, highly commended in the category of Neurology.

Harold Ellis, *Cambridge Illustrated History of Surgery*, highly commended in the category of Basis of Medicine.

David R. Gambling, M. Joanne Douglas and Robert S. F. McKay, *Obstetric Anesthesia and Uncommon Disorders*, 2nd edition, highly commended in the category of Anaesthesia.

Jan Gerris, G David Adamson, Petra De Sutter and Catherine Rakowsky, *Single*

Embryo Transfer, highly commended in the category of Obstetrics and Gynaecology.

Louise Hanna, Tom Crosby and Fergus Macbeth, *Practical Clinical Oncology*, highly commended in the category of Oncology.

Paul E. Mullen, Michele Pathé and Rosemary Purcell, *Stalkers and their Victims*, 2nd edition, highly commended in the category of Mental Health.

Rob Poole and Robert Higgo, *Clinical Skills in Psychiatric Treatment*, highly commended in the category of Mental Health.

Janet M. Rennie, Cornelia F. Hagmann and Nicola J. Robertson, *Neonatal Cerebral Investigation*, highly commended in the category of Paediatrics.

Peter A. Singer and A. M. Viens, *The Cambridge Textbook of Bioethics*, highly commended in the category of Basis of Medicine.

Stephen M. Stahl, *Stahl's Essential Psychopharmacology*, 3rd edition, highly commended in the category of Mental Health.

Donald T. Struss, Gordon Winocur and Ian H Robertson, *Cognitive Neurorehabilitation*, 2nd edition, high commended in the category of Mental Health.

Mark R. Wick, *Diagnostic Histochemistry*, first prize in the category of Pathology.

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 Registry 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 ending 30 April 2010

Annual Accounts

for the year ending 30 April 2010

The Members of the Press Syndicate are pleased to present their report together with the financial statements of the Press for the year ending 30 April 2010.

The Press Syndicate

Members of the Press Syndicate during the twelve months ended 30 April 2010 were as follows:

Dr G. Johnson, *The President of Wolfson*
(Chairman until 30 September 2009)
Professor A. C. Minson
(Chairman from 1 October 2009)
Professor W. A. Brown, *The Master of Darwin*
Professor T. M. Cox
Professor U. C. Goswami
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 J. Lasenby
Dr C. McLaughlin
Dr N. P. V. Richardson
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 D. J. Ibbetson
Professor T. W. Körner
Professor D. J. McKitterick
Professor A. C. Minson
Professor J. S. Morrill
Dr C. Y. Barlow
Dr J. K. Chothia
Dr T. N. Harper
Dr J. Lasenby
Dr C. McLaughlin
Dr N. P. V. Richardson
Dr D. W. Runciman
Mrs A. M. Lonsdale
Dr A. M. C. Brown
Mr R. K. Fisher
Mrs J. M. Pieterse
Mr K. J. Taylor

Finance Committee

Dr G. Johnson, *The President of Wolfson*
(Chairman until 30 September 2009)

Professor A. C. Minson

(Chairman from 1 October 2009)

Professor W. A. Brown

Professor D. J. McKitterick

Professor J. S. Morrill

Dr R. G. Barker

Dr J. Whitehead

Mrs S. Coutu

Mr A. Reid

Mr S. J. Webster

Mr S. R. R. Bourne

Mr S. H. Miller

Audit Committee

Mrs A. M. Lonsdale

(Chair until 31 December 2009)

Dr R. G. Barker

(Chairman from 1 January 2010)

Dr C. Y. Barlow

Dr J. K. Chothia

Mr J. G. Potter

Mr N. Wright

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

Cambridge University Press is governed by the Press Syndicate and its related Publishing, Finance and Audit sub-committees. There are 5 external (non-University employee) members who received aggregate remuneration of £20,500 and £9,750 in 2010 and 2009, respectively. Other than this, 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

PricewaterhouseCoopers LLP
Abacus House
Castle Park
Cambridge
CB3 0AN

Internal Audit Service Provider

Deloitte LLP
Stonecutter Court
1 Stonecutter Street
London
EC4A 4TR

Investment Managers

BlackRock
Murray House
One Royal Mint Court
London
EC3N 4HH

Legal & General Investment Management Limited

One Coleman Street
London
EC2R 5AA

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 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, the Colleges and the subsidiary undertakings where there is less than 100% interest.

Risk management

The Press Syndicate and its Finance Committee adopt a number of complementary approaches to managing risk. First, 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. Second, 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. Third, the Audit Committee operates a rolling internal audit programme, which is undertaken by Deloitte LLP. This programme raises awareness of risk and improves internal control in the Press, measured against private sector and industry best practices. Fourth, the Press has developed arrangements for business continuity planning, with the intention of quickly restoring operations in the aftermath of a major disaster. Finally, the Press Syndicate has for many years followed a Reserves Policy. It maintains bank balances both to provide funding for Press growth and expansion, and to counteract potential business risk.

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.

The Press receives no external funding and funds all of its operations through its ongoing business operations. The Press annually transfers to the University 30% of its net incoming resources before transfers as adjusted for certain items.

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 Syndics of Cambridge University Press

for the year ended 30 April 2010

The Syndics are responsible for preparing the Annual Report and Accounts for each financial year in accordance with Statute J of the University of Cambridge.

Under that Statute the Syndics have elected to prepare the Cambridge University Press accounts in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (revised 2005) ('the SORP') and applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The Charities Statement of Recommended Practice requires the Syndics to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the

Group and Cambridge University Press and of the financial activities of the Group for that period. In preparing these financial statements, the Syndics are required to:

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

The Syndics are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of Cambridge University Press and the Group and enable them to ensure that the financial statements comply with the university statute. They are also responsible for safeguarding the assets of Cambridge University Press and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Syndics are responsible for the maintenance and integrity of the Charity and financial information included on Cambridge University Press's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Syndics certify that:

- So far as each Syndic is aware, there is no relevant audit information of which

Cambridge University Press' auditors are unaware; and

- The Syndics have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that Cambridge University Press' auditors are aware of that information.

Independent auditors' report to the Syndics of Cambridge University Press

for the year ended 30 April 2010

We have audited the Group financial statements of Cambridge University Press for the year ended 30 April 2010 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Press Balance Sheet, and the related notes 2–20. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of the Syndics and auditors

The Syndics' responsibilities for preparing the financial statements in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (revised 2005) ('the SORP') and applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Responsibilities of the Syndics statement.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements, and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Syndics in accordance with Statute J of the University of Cambridge and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice and are properly prepared in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities.

We read the other information contained in the Cambridge University Press Annual Report and Accounts and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. This other information comprises only the Executive Summary, Chief Executive's Overview, Publishing, Administration, Press in the Community and Appendices.

Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland). 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 Syndics in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Syndicate's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations

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

Opinion

In our opinion:

- i. the financial statements give a true and fair view of the state of affairs of the Group and Cambridge University Press at 30 April 2010, and of the Group's financial activities; and
- ii. the financial statements have been properly prepared in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities, and United Kingdom Generally Accepted Accounting Practice.

PricewaterhouseCoopers LLP

Chartered Accountants

Cambridge

13 October 2010

Consolidated Statement of Financial Activities

for the year ended 30 April 2010

	Notes	2010 £m	2009 £m
Incoming resources			
Incoming resources from charitable activities – publishing and printing services	2 a)	212.9	205.1
Incoming resources from generated funds – investment income	3	0.2	1.3
Other incoming resources	4	0.2	–
Total incoming resources		213.3	206.4
Resources expended			
Charitable activities – publishing and printing services		(202.8)	(199.5)
Governance costs		(0.5)	(0.5)
Pension and post-retirement finance costs	16,17	(4.9)	(3.0)
Total resources expended	5	(208.2)	(203.0)
Net incoming resources before transfers, tax and minority interest	2 b)	5.1	3.4
Taxation	19	(0.7)	(0.5)
Attributable to minority interest	18	(0.4)	(0.2)
Net incoming resources before other recognised gains and losses	2 c)	4.0	2.7
Other recognised gains/losses			
Actuarial loss on post-retirement benefits	16, 17	(30.3)	(18.6)
Currency translation gain		1.4	3.1
Transfer to the University of Cambridge	13	(1.8)	(1.3)
Net movement in funds		(26.7)	(14.1)
Reconciliation of funds (excluding minority interest)			
Total funds brought forward		59.9	74.0
Total funds carried forward		33.2	59.9

All activities relate to ongoing operations.

The notes on pages 50–79 form part of these accounts.

Consolidated Balance Sheet

at 30 April 2010

	Notes	2010 £m	2009 £m
Fixed assets			
Intangible fixed assets	6	3.6	3.5
Tangible fixed assets	7	50.4	50.1
Investment in joint ventures:	8		
Share of gross assets		4.1	1.8
Share of gross liabilities		(1.5)	(0.6)
		56.6	54.8
Current assets			
Stock and work in progress	9	56.8	51.7
Debtors	10	58.5	53.6
Cash at bank and in hand including short-term deposits		24.6	31.0
		139.9	136.3
Creditors			
Amounts falling due within one year	11	60.3	59.7
Net current assets		79.6	76.6
Total assets less current liabilities		136.2	131.4
Amounts falling due after more than one year	12	5.6	7.2
Net assets excluding post-retirement benefit liabilities		130.6	124.2
Defined benefit pension scheme liability – funded	16	81.1	48.4
Other post-retirement benefits liability – unfunded	17	15.1	14.8
Net assets including post-retirement benefit liabilities		34.4	61.0
Funds			
General		129.2	123.1
Pension & other post-retirement benefits reserve		(96.2)	(63.2)
Minority Interest	18	1.4	1.1
		34.4	61.0

The notes on pages 50–79 form part of these accounts.

Press Balance Sheet

at 30 April 2010

	Notes	2010 £m	2009 £m
Fixed assets			
Intangible fixed assets	6	1.5	3.3
Tangible fixed assets	7	46.8	46.0
Investments	8	21.9	2.0
		70.2	51.3
Current assets			
Stock and work in progress	9	46.2	40.3
Debtors	10	79.7	75.7
Cash at bank and in hand including short-term deposits		21.5	25.4
		147.4	141.4
Creditors			
Amounts falling due within one year	11	77.8	54.4
Net current assets		69.6	87.0
Total assets less current liabilities		139.8	138.3
Amounts falling due after more than one year	12	5.4	6.2
Net assets excluding post-retirement benefit liabilities		134.4	132.1
Defined benefit pension scheme liability – funded	16	81.1	48.4
Other post-retirement benefits liability – unfunded	17	15.1	14.8
Net assets including post-retirement benefit liabilities		38.2	68.9
Funds			
General		134.4	132.1
Pension & other post-retirement benefits reserve		(96.2)	(63.2)
		38.2	68.9

The notes on pages 50–79 form part of these accounts.

The Annual Accounts on pages 47–79 were approved by the Press Syndicate on 8 October 2010 and signed on its behalf by:

Professor A.C. MINSON, 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 2010

1. Accounting Policies

Basis of accounting

The Annual Report and Accounts for the year ended 30 April 2010 have been prepared in compliance with the Statement of Recommended Practice: Accounting and Reporting by Charities (revised 2005) ('the SORP') and applicable United Kingdom law and Accounting Standards. The financial statements are prepared under the historical cost convention.

In accordance with the exemption provided by FRS 1 'Cash Flow Statements' 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 'Related Party Disclosures', the Press has not disclosed related party transactions with the University of Cambridge and subsidiary undertakings where 100% 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 and joint ventures made up to 30 April 2010. The exception to this are the following entities with historic year ends: Cambridge University Press India (Private) Ltd which prepares financial statements to 31 March, ELT Trading Ltd in Mexico which prepares its financial statements to 31 December, HOTmaths Pty Ltd which prepares its financial statements to 30 June and Cambridge-Obeikan Company Ltd which prepares its financial statements to 31 December. These entities have been accounted for using management information at 30 April 2010.

The acquisition method of accounting has been adopted for subsidiary undertakings. 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. Amount attributable to minority interests represent the share of the profits or losses on ordinary activities attributable to the interest of equity shareholders in subsidiaries which are not wholly owned by the Group.

The gross equity method of accounting has been adopted as a method of accounting for joint ventures. These are entities in which the Group holds an interest on a long-term basis and are jointly controlled by the Group and one or more other venturers under a contractual agreement.

In the Press's financial statements, investments in subsidiaries and joint ventures are accounted for at the lower of cost or net realisable value.

In accordance with the exemption in paragraph 397 of the SORP, the Press Group has included in its financial statements only a consolidated Statement of Financial Activities. The Press's own incoming resources for the year were £179.4m (2009: £207.6m) and the Press's own net incoming resources before transfers, taxation and minority interest for the year were £0.5m loss (2009: £9.4m profit).

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. The income generated from E-products is recognised when the material is supplied. For subscriptions, income is recognised evenly over the subscription period and for material supplied permanently, income is recognised when material is first made available to the customer. In the case of journals, payments received in advance are initially recorded as deferred income and income is recognised when the journal is published and shipped. The provision for anticipated returns is based primarily on historical return rates. Rights and permissions income is recognised on a cash receipt basis.

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. The apportionment of costs is based on time spent on these activities.

Taxation

Cambridge University Press is exempt from taxation on income arising from its charitable activities undertaken in the United Kingdom and 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 arising from activities within taxable jurisdictions, and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised on all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

- Deferred tax is measured on an un-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Investments

Investments in subsidiary undertakings are held at historic cost. Investments in joint ventures are held at historic cost plus the Press's share of profits or losses less amortisation of goodwill.

Intangible fixed assets

Intangible fixed assets consist of goodwill, book lists and intellectual property. Goodwill represents the excess of the consideration given over the fair value of the net assets acquired in an acquisition. Book lists purchased separately from a business are capitalised at cost. Book lists and intellectual property acquired as part of an acquisition are capitalised at their fair value where this can be measured reliably.

Intangible assets are amortised on a straight line basis over their estimated useful lives of 5 years.

The carrying value of intangible assets is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated 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 tangible 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 land & buildings	50 years
Plant, machinery, vehicles and office equipment	4 to 10 years
Leasehold buildings & improvements	Over the life of the lease

Assets under construction are carried at historic cost and are depreciated over their useful lives from the date they are first brought into use.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Stock and work in progress

Stock and work in progress are stated at the lower of weighted average cost and net realisable value after making provision for slow moving and obsolete items. In the case of a group company, 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 or 3 years. In order to estimate net realisable value, the Press fully provides for any stock 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

Group

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. The exchange differences arising on re-translation of opening assets are taken directly to reserves. All other translation differences are taken to the Statement of Financial Activities.

Press

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rate of exchange ruling at the balance sheet date. All differences are taken to 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 and post-retirement finance costs, and in other recognised gains/(losses) – actuarial loss on post-retirement benefits.

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. The deficit is recognised in full within the balance sheet. The movement in the deficit is split between resources expended, pension and post-retirement finance costs, and in other recognised gains/(losses) – actuarial loss on post-retirement benefits.

Leases

Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term. Lease incentives are recognised over the shorter of the lease term and the date of the next rent review.

The Group sublets some of its assets and recognises the rental income on a straight line basis over the period of sublease. The rental income is recognised within total incoming resources in the Statement of Financial Activities.

Cash and financial instruments

The Press group is party to financial instrument arrangements as part of its everyday operations. These include cash, short term deposits, accounts receivable, accounts payable, and foreign currency forward exchange contracts.

The Press group manages part of its foreign currency exposure by entering into forward exchange contracts. The Press group revalues these instruments at the year end rate and charges the resulting gain or loss through the Statement of Financial Activities for the year.

Therefore, all financial instruments including cash are measured at cost on the date the transaction was entered into. The Press group considers the fair value of these items to equal their carrying value.

2. Investors share of results in joint ventures

	2010 £m	2009 £m
a) Incoming resource from charitable activities		
Incoming resource from charitable activities – publishing and printing services (group and share of joint ventures)	213.1	205.4
Share of joint ventures' turnover	(0.2)	(0.3)
Incoming resources – group	212.9	205.1
b) Net incoming resources before transfers, tax and minority interest		
Net incoming resources before transfers, tax and minority interest – (group and share of joint ventures)	5.7	3.6
Share of joint ventures' net incoming resources before transfers	(0.6)	(0.2)
Net incoming resources before transfers, tax and minority interest	5.1	3.4
c) Net incoming resources before other recognised gains and losses		
Net incoming resources before other recognised gains and losses attributable to the members of the Press Syndicate	4.0	2.7
Share of joint ventures' net incoming resources before other recognised gains and losses	–	–
Group	4.0	2.7
d) Total recognised gains and losses relating to the year		
Total recognised gains and losses relating to the year	(26.7)	(14.1)
Share of joint ventures' total recognised gains and losses	–	–
Group	(26.7)	(14.1)

The trading results of the Group's joint ventures for the year were deemed immaterial to the overall results of the Press and therefore the information relating to the investors' share of results in joint ventures has been disclosed in the notes 2 and 3 rather than on the face of the Statement of Financial Activities.

Expenses of £0.8m (2009: £0.5m) are taken through Resources expended, Charitable activities – publishing and printing services.

3. Incoming resources from generated funds - investment income

	2010 £m	2009 £m
Re-investment of distributions from invested funds	–	0.3
Interest on bank deposits	0.2	1.0
	0.2	1.3
Share of joint ventures' interest	–	–
Total incoming resources from generated funds – investment income	0.2	1.3

4. Other incoming resources

During the year the Group entered into a Black empowerment deal in South Africa whereby it issued additional shares in Cambridge University Press South Africa (Proprietary) Limited to CIDA which is a Black empowered Educational Trust for consideration of ZAR 3.2m (£284k). This transaction effectively transferred 25.1% of the business to CIDA and the Group generated a profit of £212k against its historical investment cost. However under FRS 20 'Share Based Payments', the shares were issued below market value resulting in a charge of £355k which is to be recovered over 9 years by CIDA waiving its rights to dividends. The Group is expensing the FRS 20 charge over 9 years.

Contractually under Clause 18.5 of the CIDA Divestment Cambridge University Press South Africa (Proprietary) Limited are restricted from paying dividends from retained earnings at the time of divestment. This restriction remains so long as CIDA remain a shareholder.

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

	2010 £m	2009 £m
Net incoming resources before transfers, tax and minority interest are stated after charging:		
Pension and post-retirement finance costs	4.9	3.0
Interest payable on bank loans and overdrafts	0.4	0.6
Staff costs	67.6	58.8
Other costs in connection with publishing and printing activities	135.3	140.6
	208.2	203.0

5a) Staff costs consist of:

	2010	2009
	£m	£m
Salaries and wages	57.5	51.1
Social security costs	5.1	4.9
Other pension costs	5.0	2.8
	67.6	58.8
The monthly average number of permanent staff was	1,934	1,793

5b)

Other costs	2010	2009
	£m	£m
Fees for external audit services	0.2	0.2
Payments for non-audit work	–	0.1
Legal and other professional services	0.3	0.2
Restructuring costs net of contract termination settlement	–	0.2
	0.5	0.7

6. Intangible fixed assets: Group

Cost	Book lists	Goodwill	Total
	£m	£m	£m
1-May-09	5.4	6.9	12.3
Additions	0.5	1.2	1.7
Disposals	–	(0.3)	(0.3)
30-Apr-10	5.9	7.8	13.7
Amortisation			
1-May-09	4.6	4.2	8.8
Charge for the period	–	1.3	1.3
30-Apr-10	4.6	5.5	10.1
Net book value			
30-Apr-10	1.3	2.3	3.6
30-Apr-09	0.8	2.7	3.5

On 16 September 2009 the Group acquired an additional 24% of Cambridge University Press India (Private) Limited taking share of ownership from 51% to 75%. The deal was structured such that 19% of the company was purchased by acquiring shares directly from the minority interest for consideration of £1.3m. The remaining 5% of the acquisition was funded by the purchase of newly issued shares from Cambridge University Press India (Private) Limited for consideration of £1.5m. The goodwill arising from this acquisition will be amortised over its useful life of 5 years, as will the remaining unamortised goodwill arising from the original acquisition. The investment in Cambridge University Press India (Private) Limited has been included in the Group's balance sheet at its fair value at the date of acquisition.

Analysis of the acquisition of further stake in CUP India (Private) Ltd

	£m
Tangible fixed assets	0.7
Stock	1.8
Debtors	3.8
Cash	0.4
Creditors due within 1 year	(4.7)
Net assets on acquisition	2.0
Fair value adjustments	–
Net assets acquired at fair value	0.5
Goodwill arising	1.2
Total consideration	1.7
Discharged by:	
Invested funds attributable to minority interest	0.4
Cash	1.3
	1.7

Intangible fixed assets: Press

Cost	Book lists	Goodwill	Total
	£m	£m	£m
1-May-09	7.4	2.6	10.0
Additions	0.5	–	0.5
Disposals	–	(1.5)	(1.5)
30-Apr-10	7.9	1.1	9.0
Amortisation			
1-May-09	5.1	1.6	6.7
Charge for the year	1.3	–	1.3
Disposals	–	(0.5)	(0.5)
30-Apr-10	6.4	1.1	7.5
Net book value			
30-Apr-10	1.5	–	1.5
30-Apr-09	2.3	1.0	3.3

Intangible assets are amortised on a straight line basis over their estimated useful lives of 5 years.

7. Tangible fixed assets: Group

	Freehold land & buildings	Plant, machinery vehicles & office equipment	Leasehold buildings & improvements	Assets under construction	Total
	£m	£m	£m	£m	£m
Cost					
1-May-09	37.9	28.4	6.4	–	72.7
Additions	–	2.2	0.1	3.0	5.3
Disposals	(0.6)	(2.6)	–	–	(3.2)
Foreign exchange differences	0.4	0.1	(0.1)	–	0.4
30-Apr-10	37.7	28.1	6.4	3.0	75.2
Accumulated depreciation					
1-May-09	5.1	16.6	0.9	–	22.6
Charge for the period	0.7	3.3	0.3	–	4.3
Disposals	–	(2.2)	–	–	(2.2)
Foreign exchange differences	–	0.1	–	–	0.1
30-Apr-10	5.8	17.8	1.2	–	24.8
Net book value					
30-Apr-10	31.9	10.3	5.2	3.0	50.4
30-Apr-09	32.8	11.8	5.5	–	50.1

Included in the freehold land and buildings is £9.4m of cost and £1.4m of accumulated depreciation relating to the building in West Nyack, New York. The building comprises 469,00 sq ft of warehouse space and 20,000 sq ft of office space. The Group has subleased 125,000 sq ft (26.6%) of warehouse space under a 7 year non-cancellable lease which expires on 30 September 2015. The total annual payments to be received under this agreement are:

Expiry date	£m
After 5 years	0.4
	0.4

Tangible fixed assets: *Press*

	Freehold land & buildings	Plant, machinery vehicles & office equipment	Leasehold buildings & improvements	Assets under construction	Total
	£m	£m	£m	£m	£m
Cost					
1-May-09	37.2	15.7	6.4	–	59.3
Additions	–	1.6	0.1	3.0	4.7
Disposals	(0.5)	(0.5)	–	–	(1.0)
Foreign exchange differences	0.3	–	(0.1)	–	0.2
30-Apr-10	37.0	16.8	6.4	3.0	63.2
Accumulated depreciation					
1-May-09	5.1	7.4	0.8	–	13.3
Charge for the period	0.6	2.4	0.3	–	3.3
Foreign exchange differences	–	(0.2)	–	–	(0.2)
30-Apr-10	5.7	9.6	1.1	–	16.4
Net book value					
30-Apr-10	31.3	7.2	5.3	3.0	46.8
30-Apr-09	32.1	8.3	5.6	–	46.0

8. Fixed asset investments: Group

	Joint ventures	Total
	£m	£m
1-May-09	1.2	1.2
Additions	2.4	2.4
Share of joint venture (loss) for the year / profit retained by joint venture	(0.7)	(0.7)
Amortisation of goodwill	(0.3)	(0.3)
30-Apr-10	2.6	2.6

Additional disclosures are given in respect of joint ventures in aggregate, which exceed certain 25% thresholds under FRS 9 'Associates and Joint Ventures', as follows:

	2010	2009
	£m	£m
Fixed assets	3.4	0.8
Current assets	0.7	1.0
Share of gross assets	4.1	1.8
Liabilities due within one year	(0.4)	(0.6)
Liabilities due after more than one year	(1.1)	–
Share of gross liabilities	(1.5)	(0.6)
Share of net assets	2.6	1.2

Fixed asset investments: Press

	Subsidiary undertakings £m	Joint ventures £m	Total £m
1-May-09	2.0	–	2.0
Additions	17.5	2.4	19.9
30-Apr-10	19.5	2.4	21.9

Additional disclosures are given respect of joint ventures in aggregate, which exceed certain 25% threshold under FRS 9 'Associates and Joint Ventures', as follows:

	2010 £m	2009 £m
Fixed assets	3.0	–
Current assets	0.1	–
Share of gross assets	3.1	–
Liabilities due within one year	–	–
Liabilities due after more than one year	(0.7)	–
Share of gross liabilities	(0.7)	–
Share of net assets	2.4	–

Details of the investments in which the Group and the Press hold 20% or more of the nominal value of any class of share capital are as follows:

	Country of incorporation	Principal activity	Class and percentage of shares held	
			Group	Press
Subsidiary undertakings				
Cambridge University Press (Holdings) Limited	England	Holding company	17.5m ordinary £1 shares 100%	17.5m ordinary £1 shares 100%
Cambridge University Press India (Private) Limited	India	Academic and educational book publisher & distributor	1,142,168 ordinary INR 10 shares 75%	
Cambridge–Hitachisoft Educational Solutions PLC	England	Electronic educational publishing	39,000 ordinary £100 shares 60%	
Cambridge University Press South Africa (Proprietary) Limited	South Africa	Academic and educational book publisher & distributor	1,000 ordinary ZAR 1 shares 74.9%	
Cambridge University Press Japan KK	Japan	Representative office	200 ordinary Yen 50,000 shares 100%	
Cambridge Knowledge (China) Limited	Hong Kong	Representative office	1 ordinary HK\$1 shares 100%	
Cambridge Global Grid for Learning Limited	England	Electronic educational publishing	2 ordinary £1 shares 100%	
Cambridge Printing Services Limited	England	Printing Services	2.8m ordinary £1 shares 100%	
United Publishers Services Limited	Hong Kong	Distribution	200,000 HK\$10 shares 100%	
Cambridge Archive Editions Limited	England	Publishing	100 ordinary £1 shares 100%	100 ordinary £1 shares 100%
ELT Trading Limited	Mexico – Latin America	Publishing	50,000 ordinary Peso 1 shares 100%	
Editorial Edicambridge Cia Ltda	Equador	Representative office	10,000 ordinary US\$1 shares 100%	
Cambridge University Press (Greece) EPE	Greece	Representative office	600 ordinary €30 shares 100%	
Cambridge University Press Panama SA	Latin America	Distribution	300 ordinary US\$1 shares 100%	

Joint Ventures	Country of incorporation	Principal activity	Class and percentage of shares held	
			Group	Press
Cambridge-English360 Limited	England	Electronic educational publishing	878,394 ordinary £1 shares 50%	
Cambridge-Obeikan Company Limited	Saudi Arabia	Academic and educational book publisher & distributor	3,000 ordinary Saudi Riyals 1000 shares 50%	
HOTmaths Pty Limited	Australia	Web based digital learning management system	1,653 ordinary A\$1 shares 33% with option to increase to 50%	1,653 ordinary A\$1 shares 33% with option to increase to 50%

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 India (Private) Limited is the academic and educational book publisher and distributor for India.

Cambridge-Hitachisoft Educational Solutions PLC is an e-learning company that combines the curriculum knowledge and educational expertise of Cambridge University Press and the innovative technology of Hitachi Software Engineering. The company is a joint partnership owned 60% by Cambridge University Press (Holdings) Limited and 40% by Hitachi Software Engineering.

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

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

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

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

Cambridge Printing Services Limited provides printing services.

United Publishers Services Limited is a Hong Kong registered company providing distribution services in Japan.

Cambridge Archive Editions Limited is a publishing company.

ELT Trading Limited is a Mexico registered company established for publishing in Mexico and South America.

Editorial Edicambridge Cia Ltda is a Ecuador registered company providing representative services in Ecuador.

Cambridge University Press (Greece) EPE is a Greek registered company providing representative services in Greece, Cyprus and some other Mediterranean locations.

Cambridge University Press (Panama) SA is a Panama registered company providing distribution services for South America.

The Press has not disclosed the trading activities and balance sheets of its material subsidiaries and joint ventures on the basis that all of the material subsidiaries and joint ventures are independently audited and file their accounts in their respective jurisdictions. Copies of these accounts are freely available from Cambridge University Press head office at University Printing House, Shaftesbury Road, Cambridge CB2 8BS.

9. Stock and work in progress

	Group		Press	
	2010 £m	2009 £m	2010 £m	2009 £m
Raw materials	0.1	0.3	–	–
Work in progress	13.5	8.8	12.7	7.7
Stocks of publications	43.2	42.6	33.5	32.6
	56.8	51.7	46.2	40.3

10. Debtors

	Group		Press	
	2010 £m	2009 £m	2010 £m	2009 £m
Trade debtors	44.7	44.9	33.6	32.4
Other debtors	4.5	4.7	3.0	2.8
Amounts owed by group undertakings	–	–	36.6	38.1
Amounts owed by joint ventures	1.4	0.4	–	–
Prepayments and accrued interest	7.9	3.6	6.5	2.4
	58.5	53.6	79.7	75.7

All amounts owed by group undertakings are payable on demand.

Amounts owed by joint ventures relate to recharges and loans as disclosed in Note 14.

11. Creditors (amounts falling due within one year)

	Group		Press	
	2010 £m	2009 £m	2010 £m	2009 £m
Current instalments due on loans	1.1	1.2	0.6	0.6
Bank overdraft	0.2	1.4	0.1	–
Creditors for publishing and printing services	13.7	13.0	8.9	9.5
Amounts owed to group undertakings	–	–	27.5	6.7
Other taxes and social security	0.8	0.8	0.7	0.7
Other creditors	6.9	7.0	5.0	4.0
Accruals and deferred income	37.6	36.3	35.0	32.9
	60.3	59.7	77.8	54.4

The bank overdraft of £0.2m outstanding at year end relates to Cambridge University Press India (Private) Limited. This has been guaranteed by the Group up to the maximum of £0.55m. In addition, the bank has a first charge over the entire assets of Cambridge University Press India (Private) Limited and personal guarantees were given to the bank by Mr Manas Saikia (Managing Director) and Vinod Vasishat (Director and minority share holder).

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

	Group		Press	
	2010 £m	2009 £m	2010 £m	2009 £m
Bank loans	5.3	6.2	5.4	6.2
Loan from minority interest	0.3	1.0	–	–
	5.6	7.2	5.4	6.2

Analysis of debt	Group		Press	
	2010 £m	2009 £m	2010 £m	2009 £m
Falling due:				
Within 1 year	1.1	1.2	0.6	0.6
Between 1 and 2 years	1.0	1.2	0.6	1.2
Between 2 and 5 years	2.3	3.2	2.4	2.2
After more than 5 years	2.3	2.8	2.4	2.8
	6.7	8.4	6.0	6.8

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 Americas branch operations. The rate of interest was fixed at 4.50% for the period of the loan.

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. The last tranche is due for repayment by 30 April 2014.

13. Support for the University of Cambridge

Support for the University of Cambridge, including cash transfers and printing services, in the period amounted to £1.8m (2009: £1.3m).

14. Related party transactions: *Group and Press*

Press

In accordance with the exemption conferred by FRS 8, the Press has not disclosed related party transactions with wholly owned subsidiaries.

Group

In accordance with the exemption conferred by FRS 8, the Press group has not disclosed related party transactions with the University of Cambridge and wholly owned subsidiaries within the Group headed by the University.

During the year, the Press Group entered into transactions, in ordinary course of business, with its 60% subsidiary, Cambridge-Hitachisoft Educational Solutions PLC, its 75% subsidiary, Cambridge University Press India (Private) Limited and its 74.9% subsidiary Cambridge University Press South Africa (Proprietary) Limited. The transactions entered into and trading and loan balances outstanding at 30 April 2010 are as follows:

	Sales to related party £m	Purchases from related party £m	Amounts owed from related party £m	Amounts owed to related party £m	Recharges and interest £m
Related party					
Cambridge-Hitachisoft Educational Solutions PLC					
2010	–	0.3	–	–	0.1
2009	–	1.1	0.1	–	0.8
Cambridge University Press India (Private) Limited					
2010	1.0	0.2	0.6	0.1	–
2009	0.8	–	0.4	–	–
Cambridge University Press South Africa (Proprietary) Limited					
2010	0.6	–	5.8	0.5	0.6
2009	1.0	0.1	6.0	0.5	–

In addition, the Press Group also entered into transactions with its joint ventures, as follows:

	Sales to related party £m	Purchases from related party £m	Amounts owed from related party £m	Amounts owed to related party £m	Recharges and interest £m
HOTmaths PTY Limited					
2010	–	–	0.2	–	0.2
2009	–	–	–	–	–
Cambridge-English360 Limited					
2010	–	–	0.2	–	–
2009	–	–	–	–	–
Cambridge–Obeikan Company Limited					
2010	–	–	1.0	–	1.0
2009	–	–	0.4	–	–

The HOTmaths joint venture has been created for the purpose of developing and commercialising web based maths digital learning management systems for students, teachers and other parties with an interest in education.

English360 is a web based e-learning platform for teaching business English, English for specific purposes and for teachers to create and deliver personalised learning programmes to their students. The company is a joint venture owned 50% by Cambridge University Press (Holdings) Limited and 50% by English360 Inc. English360 is located on the main Cambridge site and has use of on site facilities and office space. There is no recharge for the use of Cambridge site infrastructure.

Amounts owed from related party relate to a loan of \$149k from the Press Group to the company which in turn used this money to pay off an existing loan from Douglas Miller, the father of Cleve Miller who is also a director of Cambridge-English 360 Limited.

Cambridge–Obeikan is a publishing house which focuses on the adaptation of Cambridge University Press's English Language Teaching materials for the Arab speaking world, the key focus being on Saudi Arabia. The company publishes material in both print and digital format. The company is a joint venture owned 50% by Cambridge University Press (Holdings) Limited and 50% by Obeikan Research and Development. During the year, the Press developed a number of on-line course materials for the joint venture which it has recharged at the year end.

15. Operating leases: Group and Press

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

	Land and buildings		Other		Total	Total
	2010	2009	2010	2009	2010	2009
	£m	£m	£m	£m	£m	£m
Expiry date:						
Less than 1 year	0.7	0.2	0.1	0.5	0.8	0.7
Between 2 and 5 years	1.0	0.5	0.4	0.5	1.4	1.0
After 5 years	1.5	1.5	–	–	1.5	1.5
	3.2	2.2	0.5	1.0	3.7	3.2
Operating lease charges for the year were					2010	2009
					£m	£m
Land and buildings					2.8	2.0
Other					0.5	1.2
					3.3	3.2

16. 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 Defined Benefit Plan was further curtailed during 2009.

A triennial valuation of each UK defined benefit scheme was undertaken by independent qualified actuaries at 1 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 2010 was £2.2m (2009:£0.4m) and for the defined contribution schemes was £2.6m (2009:£2.5m).

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 2010. 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.

	2010 £m	2009 £m
Fair value of plan assets	173.1	147.0
Present value of funded defined benefit obligations	(254.2)	(195.4)
Net liability	(81.1)	(48.4)

Movements in fair value of plan assets	2010 £m	2009 £m
At 1 May	147.0	174.9
Expected return on plan assets	8.9	11.1
Actuarial gains/(losses)	22.9	(39.8)
Contributions by employer	3.8	4.3
Contributions by members	0.4	0.5
Benefits paid	(9.4)	(8.6)
Exchange adjustments	(0.5)	4.6
At 30 April	173.1	147.0

Movements in present value of defined benefit obligation	2010 £m	2009 £m
At 1 May	(195.4)	(205.5)
Current service cost	(2.2)	(3.1)
Gain on curtailment	–	2.7
Interest cost	(12.9)	(13.2)
Actuarial (losses)/gains	(53.8)	21.0
Benefits paid	9.4	8.6
Exchange adjustments	0.7	(5.9)
At 30 April	(254.2)	(195.4)

Expense recognised in the Statement of Financial Activities	2010	2009
	£m	£m
Current service cost	(2.2)	(0.4)
Interest on defined benefit pension plan obligation	(12.9)	(13.2)
Expected return on defined benefit pension plan assets	8.9	11.1
Total	(6.2)	(2.5)

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

	2010	2009
	£m	£m
Pension and post-retirement finance cost	(4.0)	(2.1)
Charitable activities – publishing and printing services	(2.2)	(0.4)
	(6.2)	(2.5)

The total amount recognised in the Statement of Financial Activities in respect of actuarial losses is £30.9m (2009: £18.8m).

Cumulative actuarial losses 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 £51.4m (2009: £20.5m).

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

	2010	2009
	£m	£m
Equities	84.1	73.4
Corporate bonds	76.1	61.1
Property	12.9	12.5
Other	–	–
	173.1	147.0
Actual return on plan assets	31.8	(28.7)

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 Scheme	2010 %	2009 %
Pension and inflation increase rate	3.7	3.2
Discount rate	5.5	6.8
Expected rate of return on plan assets	6.2	6.0
Expected return on plan assets at beginning of the period	6.0	6.2

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:

Longevity assumptions	2010 years	2009 years
Current pensioners at 65 – male	22.1	22.1
Current pensioners at 65 – female	25.0	25.0
Future pensioners at 65 – male	22.8	22.8
Future pensioners at 65 – female	25.6	25.6

In valuing the liabilities of the UK pension fund at 30 April 2010, mortality assumptions have been made as indicated above. 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 2010 would have increased by £6.7m.

DBP Scheme	2010 %	2009 %
Pension and inflation increase rate	3.0	3.0
Discount rate	5.6	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

The assumptions relating to longevity underlying the US 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:

Longevity assumptions	2010 years	2009 years
Current pensioners at 65 – male	18.4	18.3
Current pensioners at 65 – female	20.4	20.3
Future pensioners at 65 – male	18.4	18.3
Future pensioners at 65 – female	20.4	20.3

In valuing the liabilities of the US pension fund at 30 April 2010, mortality assumptions have been made as indicated above. 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 2010 would have increased by £116k.

History of plans

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

Balance sheet	2010	2009	2008	2007	2006
Defined Benefit Pension Plan	£m	£m	£m	£m	£m
Fair value of scheme assets	173.1	147.0	174.9	178.6	164.7
Present value of scheme liabilities	(254.2)	(195.4)	(205.5)	(202.5)	(190.0)
Deficit	(81.1)	(48.4)	(30.6)	(23.9)	(25.3)

Experience adjustments	2010	2009	2008	2007	2006
	%	%	%	%	%
Experience adjustments on scheme assets as a percentage of scheme assets	0.1	(27.1)	(6.6)	2.2	12.0
Experience adjustments on scheme liabilities as a percentage of scheme liabilities	(0.7)	(1.9)	(0.4)	(1.1)	(0.3)

A one percentage point change in the assumed rate of inflation will have the following effects:

	Increase £m	Decrease £m
Effect on aggregate service costs and interest cost	2.0	(1.4)
Effect on defined benefit obligation	30.7	(21.6)

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

17. 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 2010 was £0.2m (2009: £0.2m). 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 2010.

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.

	2010 £m	2009 £m
Present value of unfunded defined benefit obligations	(15.1)	(14.8)
Deficit	(15.1)	(14.8)
Net liability	(15.1)	(14.8)
Movements in present value of defined benefit obligation		
	2010 £m	2009 £m
At 1 May	(14.8)	(14.9)
Current service cost	(0.2)	(0.2)
Gain on curtailment	–	2.6
Interest cost	(0.9)	(0.8)
Actuarial gains	0.6	0.2
Benefits paid	0.2	0.4
Exchange adjustments	–	(2.1)
At 30 April	(15.1)	(14.8)

Expense recognised in the statement of financial activities	2010 £m	2009 £m
Charitable activities – publishing and printing services	(0.2)	2.5
Pension and post-retirement finance costs	(0.9)	(0.9)
Total	(1.1)	1.6

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

	2010 £m	2009 £m
Investment income	(0.9)	(0.8)
Cost of publishing and printing services	(0.2)	2.4
	(1.1)	1.6

The total amount recognised in the Statement of Financial Activities in respect of actuarial gains is £0.6m (2009: £0.2m).

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 £1.6m (2009: £1.0m).

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

United Kingdom scheme	2010 %	2009 %
Discount rate	5.5	6.8
Future salary increases	–	–
Medical premium inflation assumption	9.5	10.8

2010: Reducing to 8.5% for year ended 2011, reducing to 4.5% for year ended 2012 and thereafter.
2009: Reducing to 9% for year ended 2010, 8% for year ended 2011, reducing 1% annually to 5% and then constant at 5%.

United States of America scheme	2010 %	2009 %
Discount rate	5.5	6.0
Medical premium inflation assumption	9.0	10.0

2010 Reducing to 8% for year ended 2011, followed by reduction of 1% annually to 5% in 2014 and then remaining constant at 5%.
2009: Reducing to 9% for year ended 2010, 8% for year ended 2011, reducing 1% annually to 5% and then constant at 5%.

History of plans

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

Balance sheet	2010	2009	2008	2007	2006
Retirement Healthcare Benefits	£m	£m	£m	£m	£m
Present value of scheme liabilities	(15.1)	(14.8)	(14.9)	(14.2)	(13.5)
(Deficit)/surplus	(15.1)	(14.8)	(14.9)	(14.2)	(13.5)

Experience adjustments	2010	2009	2008	2007	2006
	%	%	%	%	%
Experience adjustments on scheme					
Liabilities as a percentage of scheme liabilities	6.9	2.8	(0.3)	(1.2)	0.0

A one percentage point change in the assumed rate of inflation will have the following effects:

	Increase	Decrease
	£m	£m
Effect on aggregate service costs and interest cost	–	–
Effect on defined benefit obligation	2.1	(2.1)

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

18. Minority interest

The minority interest represents 40% of the invested share capital in Cambridge–Hitachisoft Educational Solutions PLC, 25% of the share capital in Cambridge University Press India (Private) Limited and 25.1% of the share capital in Cambridge University Press South Africa (Proprietary) Limited.

	2010	2009
	£m	£m
Minority interest brought forward	1.1	–
Further investment in subsidiaries	(0.1)	1.0
Profit for the period	0.4	0.2
Currency translation	–	(0.1)
Dividend paid	(0.1)	(0.0)
Issue of shares to minority interest	0.1	–
Minority interest carried forward	1.4	1.1

19. Current and deferred taxation

(a) Tax on net incoming resources before transfers, tax and minority interest:

	2010 £m	2009 £m
Current tax:		
Foreign tax	0.7	0.5
Group current tax	0.7	0.5
Share of joint venture's current tax	–	–
Total tax	0.7	0.5

(b) Deferred tax

The Press has no tax losses arising in the UK. However, United Publisher Services Limited, Group's overseas subsidiary has losses of £2.4m (¥355m) which are available until April 2014 to offset against their future taxable profits. At 41% current rate of taxation in their jurisdiction, this creates a deferred tax asset of £1m (¥145m) which is expected to be recovered in the next two years against United Publisher Services Limited future profits. This asset has been recognised within other debtors (note 10).

20. Post balance sheet events

On 29 July 2010, the assets and trade of Cambridge Archive Editions Limited, were hived up to the Press.

Cambridge University Press is one of the world's leading publishers of books and journals on climate change. We are committed to reducing our impact on the environment and have been among the pioneers both of electronic books and of short-run printing to reduce waste and shipping. Our UK operation has been certified to ISO 14001, the environmental management standard.

Printed in the United Kingdom, 2010, on 9Lives 80 Silk, which contains 60% post-consumer de-inked pulp FSC certified, 20% FSC certified virgin TCF fibre and 20% recycled wood and fibre sourced from sustainable forests.

Playing a leading role in today's global market place, Cambridge University Press has 53 offices in 39 countries, and we distribute our products to nearly every country in the world. We publish titles in 70 different languages drawn from authors in 120 different countries.



With Cambridge's commitment to the cause of learning and with offices all over the world, we are well-placed to make a difference to the communities in which we work.

A recent initiative to bring high quality English learning materials to the poorest children has been launched by an organization called Make A Difference (MAD), partnering with Cambridge University Press India. MAD, a youth volunteer network providing quality education to children living in orphanages and street shelters, is an 800-strong teacher network of college students and young professionals. The project currently covers 10 cities, reaching out to 2,500 children.

A pioneer in academic and educational publishing, Cambridge University Press is committed to supporting innovation in learning and teaching. Cambridge publishes without boundaries, ensuring our resources are accessible across the globe, in print, digital and online formats.



CAMBRIDGE
UNIVERSITY PRESS
www.cambridge.org