

The Nottingham Trent University

financial report 2001



governors' report and financial statements
for the year ended 31 July 2001





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Governors' Report

Scope of the Financial Statements

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) for the Further and Higher Education sector.

The report and financial statements comprise the consolidated results of the university and its wholly owned subsidiary companies. The subsidiary companies and the roles they undertake are:

- Nottingham Consultants Limited undertakes those activities which, for legal or commercial reasons, are more appropriately channelled through a limited company and also acts as a catalyst and facilitator for commercial activities throughout the university. These activities include technology transfer, short courses, consultancy work and commercial research exploitation for a wide variety of external organisations;
- Nottingham Law School Limited provides a wide range of courses for the legal profession;
- NTU Power Services Limited purchased gas, electricity and water on behalf of the university but is no longer trading;
- N.T.U. Accommodation Services Limited (not now trading) and Nottingham Trent Residences 1 PLC provide management services to the former Business Expansion Scheme (BES) property;
- The Nottingham Trent University Charitable Trust is an unincorporated body and provides library buildings for academic use;
- NTU Energy, Employment & Estates Services Limited provides staff to the university on a contractual basis.

All subsidiaries gift aid the whole of any taxable profits to the university.

In addition, these financial statements contain the financial statements of The Nottingham Trent University Union of Students, following implementation of the provisions of the Education Act 1994.

Review of Operations and Finances

Given the ever-tightening financial constraints on higher education institutions, the university achieved a very satisfactory performance in 2000/01. Although the consolidated income and expenditure account shows that an historical cost deficit of £4.342 million has been made, compared to a deficit of £303,000 last year, this deficit is due entirely to the accounting requirements relating to the staff reprofiling exercise being undertaken to re-position the academic profile of the university to meet changing student demand. The vast majority of these costs will not be incurred until 2001/02 and beyond but provision has to be made in the accounting period that the individual member of staff formally agrees to leave. Had it not been for this requirement, the university, in its Consolidated Financial Statements, would have returned a small deficit.

Governors' Report (continued)

The summary position is shown below:-

	2001 £000	2000 £000	Increase/ (Decrease) %
Income	114,164	110,757	3.1
Expenditure	120,182	112,740	6.6
Historical Cost (Deficit) before restructuring costs	(216)	(303)	(28.7)
Restructuring costs	4,126	-	-
Historical Cost (Deficit) after restructuring costs	(4,342)	(303)	1,333.0
Accumulated Historical Cost Surplus	30,728	35,070	(12.4)
Net Assets	108,593	114,587	(5.2)

Treasury Management

The Consolidated Cash Flow Statement shows that there was an increase of cash of £342,000 after withdrawing £4.5 million from short-term investments. The university has again invested significantly in its infrastructure, with total capital spend of £8.175 million.

As regards payment of creditors, the university supports the various initiatives to ensure prompt payment of invoices from suppliers, particularly small and medium-sized enterprises. Subject to any other agreed contractual conditions, it will normally make payment within 30 days following the date of the invoice.

Capital Projects

The first financial year of the new millennium witnessed the official opening of two major capital projects – both by respective Secretaries of State – and the commencement of other significant property initiatives.

In the autumn the Secretary of State for Culture, Media and Sport, conducted the official opening of the Waverley Building, following the £2.2 million regeneration of this Grade II listed landmark. The building now provides naturally lit and spacious work areas, together with the latest technology, including digital facilities for multimedia learning, offering an ultra-modern environment for study, creativity and exhibition for the School of Art & Design.

Governors' Report (continued)

Capital Projects (continued)

The Faculty of Education's new building was formally opened by the Education and Employment Secretary, in March 2001. The £4 million building has been named after Ada Byron King, daughter of the poet Lord Byron and a groundbreaking mathematician who collaborated with Charles Babbage, and is credited with foreseeing programmable computers. All the rooms in this new facility on the main Clifton campus are geared towards the range of activities undertaken by student teachers and staff within the faculty. The building is also designed to be energy-efficient and is a test-bed for a rainwater collection system designed by a Nottingham Trent student.

In order to maintain a high quality academic infrastructure, the university is continuously improving and developing the Estate. In the last year this has included the construction of a new psychology laboratory, the provision of a 450-seat lecture theatre on the Clifton Campus and completion of the Sports Hall complex. Other exciting developments at an advanced stage in planning include a new teaching block, costing in excess of £1 million, on the Brackenhurst campus, a state-of-the-art biomedical facility and a joint venture with a large, international industrial concern for a dedicated training facility on our Clifton campus.

All of these projects, with the exception of the industrial partnership, have been part-funded by the HEFCE.

Student residential accommodation is an important element in students' (and parents') choice of university. To ensure that there is always a good supply of well managed student residences, the university is considering outsourcing all of its halls of residence. A preferred bidder has been appointed and detailed negotiations are currently underway. Following receipt of planning approval in July 2000,

work on the new hotel/gym facility on the city campus under the Private Finance Initiative has been progressing, and completion is scheduled for December 2001. The 154-bed hotel will offer high quality, affordable accommodation. It also includes extensive gymnasium facilities which are to be run by the Union of Students. The hotel will also be adjacent to a "tram" stop, as the Nottingham Express Transit system, opening in late 2003, passes immediately adjacent to the hotel and many of the university's buildings on the city site.

As regards IT, the Integrated Financial & Purchasing System (IFMS) is now firmly embedded into the university, and the Integrated Student Information System (ISIS) went live on 1 September, to be progressively rolled out over the academic year. The final phase of the IT strategy to update all of the major administrative processes, sees the creation of a project team to oversee the replacement of existing personnel and payroll software with a modern system which will take the university forward to full integration across all disciplines.

Governors' Report (continued)

Future Developments

The university is planning to build upon the deep and wide foundations created over recent years. The quality agenda and, in particular, the successful drive to raise student entry standards, is bearing fruit as evidenced by Nottingham Trent's performance in recent annual 'good university' guides and subject listings. Students, parents and teachers are assessing closely the performance of Universities and this public display of achievement is now endemic to the sector. To ensure that the university is properly placed to meet all of these challenges and remains in robust financial health, a staff reprofiling exercise is being undertaken to match Nottingham Trent's portfolio of academic programmes more closely to the changing student market. HEFCE is supporting this project with £1.5 million over a three-year period, following a successful bid to the HEFCE's Restructuring and Collaboration Fund.

To take the entrepreneurial agenda forward, a new Enterprise Board has been established to help the university realise its full innovative and wealth generating potential. The Board will benefit from advice and expertise from business leaders across a wide range of fields. Its key rôle will be to ensure that the university maximises opportunities to generate income from external sources through ventures such as technology transfer, commercial research, consultancy and training. In these ways the university will continue to build strong partnerships with the business and the professional community. A new Business Development Unit, headed by the Director of Business Development, has been created to support faculties and departments with this initiative.

Conclusion

The outturn for the financial year 2000/01 has been skewed by the accounting requirement to capitalise restructuring costs in the year the individual member

of staff formally agrees to leave, rather than at the retirement date. Had this not been the case, the consolidated income and expenditure would have shown a marginal deficit. Nevertheless, the staff and curriculum restructuring outcome augurs well for Nottingham Trent in a very competitive sector.

Governors' Report (continued)

Membership

The members of the Board during the year to 31 July 2001, unless otherwise indicated, were:

Independent members

Mr J Peace, Chairman
Professor AP Forster, Deputy Chairman
Mr P Bowden
Mr R Bullock - appointed 1 September 2000
Ms M-L Clayton - appointed 1 September 2000
Mr MJ Cooper
Ms WJ Gordon - appointed 1 November 2000
Mr RW Ruse
Mr JH Watson

Educationalist member

Mrs M Puckey

Academic board member

Dr NAA Macfarlane

Student nominee

Mr M Nunn

General staff member

Mrs ME Martin

Local authority nominees

City Councillor G Chapman
County Councillor R Needham

Vice-Chancellor

Professor R Cowell DL

Deputy Vice-Chancellor

Professor KC Short

Director of Finance

Mr DE Morgan



Mr J Peace
Chairman



Prof R Cowell
Vice-Chancellor

10 December 2001

The University's Structure of Corporate Governance

The university's Board of Governors comprises lay/independent and academic members appointed under the Instrument and Articles of Government of the university, all of the lay/independent members being non-executive. The rôles of Chairman and Deputy Chairman of the Board are separated from the rôle of the university's Chief Executive, the Vice-Chancellor. The matters specially reserved to the Board of Governors for decision are set out in the Articles of Government of the university and in the Financial Memoranda with the Higher Education Funding Council for England, the Teacher Training Agency and the Learning & Skills Council. The Board holds to itself the responsibilities for the ongoing strategic direction of the university, approval of major developments and the receipt of regular reports from the Chief Executive and senior managers on the day-to-day operations of the university's business and the affairs of its subsidiary companies. The Board meets five times a year and has established several committees, including a Membership Nominations Committee, a Remuneration Committee, an Audit Committee and a Finance & General Purposes Committee. All of these Committees are formally constituted with terms of reference and comprise lay/independent members of the Board of Governors, one of whom is the Chairman and, where appropriate, non-Board co-opted members with specific expertise. Some of these Committees also include members of the university's Senior Management team. Reports on specific issues and formal minutes from such meetings are submitted to the Board of Governors.

The Membership Nominations Committee invites and considers nominations for appointment and reappointment within the Board's membership and appointments within the Board's support structure.

The Remuneration Committee considers the remuneration and conditions of service of senior postholders on behalf of the Board.

The Audit Committee normally meets three times a year, with both External and Internal Auditors present. The university's Internal Audit Service operates in accordance with the HEFCE Audit Code of Practice and prepares a 4-year strategic plan. This is reviewed each year, amended where appropriate and an annual operating plan prepared for consideration by the Audit Committee and approval by the Board of Governors. The Audit Committee, against the framework of the agreed plans, considers Internal Audit reports and recommendations for the improvement of the university's systems of internal control, together with management's response and implementation plans. It also receives and considers reports from the Higher Education Funding Council for England, as they affect the university's business, and monitors adherence with the regulatory requirements. The Committee meets with the External Auditors on their own for independent discussions.

The Finance & General Purposes Committee acts on behalf of the Board of Governors in reviewing the draft consolidated financial statements and associated External Auditors' reports, the financial position of subsidiary companies and it makes recommendations to the Board on:

- the Annual Budget and budgetary control;
- Treasury Management policies and procedures;
- Financial Regulations;
- Strategic planning as regards student numbers, staff, estate and financial resources and IT strategies;
- Risk Management processes;

It also sits as the Board's Employment Policy Committee, dealing with Employment Policy matters through a discrete order of business.

Responsibilities of the Board of Governors

In accordance with the Education Reform Act, the Board of Governors of the university is responsible for the administration and management of the affairs of the university and the group and is required to present audited financial statements for each financial year.

The Board of Governors is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the university and the group and to enable it to ensure that the financial statements are prepared in accordance with the Education Reform Act, the Statement of Recommended Practice on Accounting in Higher Education Institutions and relevant accounting standards. In addition, within the terms and conditions of Financial Memoranda agreed between the Higher Education Funding Council for England ('HEFCE'), the Further Education Funding Council ('FEFC') / the Learning & Skills Council ('LSC') the Teacher Training Agency ('TTA') and the Board of Governors, the Board of Governors, through its designated office holder, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the university and the group and of the surplus or deficit and cash flows for that year.

In causing the financial statements to be prepared, the Board of Governors has ensured that:

- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- financial statements are prepared on a going

concern basis unless it is inappropriate to presume that the university and the group will continue in operation.

The Board of Governors has taken reasonable steps to:

- ensure that funds from the HEFCE, the FEFC / the LSC and the TTA are used only for the purposes for which they have been given and in accordance with the Financial Memorandum with the Funding Councils or the TTA Terms and Conditions of Funding and any other conditions which the Funding Councils and Teacher Training Agency may from time to time prescribe;
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- safeguard the assets of the university and the group and prevent and detect fraud;
- secure the economical, efficient and effective management of the university and the group's resources and expenditure.

Auditors' Report to the Board of Governors of The Nottingham Trent University

We have audited the financial statements on pages 11 to 32 which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and in accordance with the accounting policies set out on pages 11 to 12.

Respective Responsibilities of the University's Board and the auditors

The university's Governors are responsible for preparing the financial statements. Our responsibilities as independent auditors are established by statute, the Auditing Practices Board, the Higher Education Funding Council for England and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Statement of Recommended Practice on Accounting in Further and Higher Education Institutions. We also report to you whether, income from funding bodies, grants and income for specific purposes and from other restricted funds administered by the university have been properly applied only for the purposes for which they were received and whether income has been applied in accordance with the Statutes and, where appropriate, with the Financial Memorandum with the Higher Education Funding Council for England, the Further Education Funding Council / Learning and Skills Council and with the Funding Agreement with the Further Education Funding Council and the Teacher Training Agency.

We also report to you if, in our opinion, the Governor's Report is not consistent with the financial statements, if the university has not kept proper accounting records, the accounting records do not agree with the financial statements or if we have not received all the information and explanations we require for our audit.

We read the other information contained in the Governor's Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board and the Audit Code of Practice issued by the Higher Education Funding Council for England. 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 university's Governors in the preparation of the financial statements and of whether the accounting policies are appropriate to the institution's circumstances, consistently applied and adequately disclosed.

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

Auditors' Report to the Board of Governors of The Nottingham Trent University (continued)

Opinion

In our opinion:

- a. the financial statements give a true and fair view of the state of affairs of the university at 31 July 2001 and of the result and cash flows for the year then ended and have been properly prepared in accordance with the Statement of Recommended Practice on Accounting in Further and Higher Education Institutions;
- b. in all material aspects, income from the Higher Education Funding Council for England, the Further Education Funding Council / Learning and Skills Council and the Teacher Training Agency, grants and income for specific purposes and from other restricted funds administered by the university have been applied for the purposes for which they were received;
- c. in all material aspects, income has been applied in accordance with the university's statutes and, where appropriate, with the financial memorandum with the Higher Education Funding Council for England and the Further Education Funding Council / Learning and Skills Council and the funding agreement with the Teacher Training Agency.



*Chartered Accountants
Registered Auditors*

10 December 2001

St Nicholas House
Park Row
NOTTINGHAM
NG1 6FQ

Statement of principal accounting policies

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with the Statement of Recommended Practice: Accounting in Further and Higher Education Institutions ('SORP') and other applicable Accounting Standards.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the university and its subsidiaries Nottingham Consultants Limited, Nottingham Law School Limited, NTU Energy, Employment & Estates Services Limited, NTU Power Services Limited, N.T.U. Accommodation Services Limited, The Nottingham Trent University Charitable Trust, Nottingham Trent Residences 1 PLC and The Nottingham Trent University Union of Students. A separate income and expenditure account dealing with the results of the university has not been presented. The results of IC Routing Limited, an undertaking in which the university has a participating interest, have been excluded from the consolidation on the grounds that it is not material to a true and fair view.

Recognition of income

Income from specific donations, research grants, contracts and other services rendered is included to the extent of the expenditure incurred during the year, together with any related contributions towards overhead costs. All income from short-term deposits is credited to the income and expenditure account on a receivable basis. Grants for the purchase of fixed assets are credited to the income and expenditure account over the estimated useful lives of those assets. Deferred credits in respect of grants received which are to be applied to subsequent years are included in deferred capital grants (note 19).

Pension schemes

Retirement benefits for employees of the university are provided by defined benefit schemes which are

funded by contributions from the university and employees. Payments are made to the Teachers Pension Scheme ('TPS') for academic staff and Nottinghamshire County Council Superannuation Scheme ('NCCSS') for non-academic staff. These are both independently administered schemes.

Contributions to the schemes are charged to the income and expenditure account so as to spread the cost of the pensions over the employees' working lives with the university.

Foreign currency

Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Transactions in foreign currency are recorded at the date of the transaction and any exchange gain or loss is dealt with in the income and expenditure account.

Leases

Fixed assets held under finance leases and the related lease obligations are recorded in the balance sheet at the fair value of the leased assets at the inception of the lease. The excess of lease payments over recorded lease obligations are treated as finance charges which are amortised over each lease term to give a constant rate of charge on the remaining balance of the obligations. Rental costs under operating leases are charged to expenditure in equal annual amounts over the periods of the leases.

Tangible fixed assets

■ Land and buildings

As a consequence of the Education Reform Act 1988, the freehold and leasehold interests in properties occupied by the university previously held by the respective Local Education Authorities ('LEAs') were formally transferred to the university with effect from 1 April 1989. The land and buildings have been independently valued by Savills Land & Property Limited at 31 July 1997, in accordance with Practice Statement 4.8 of the RICS Appraisal and

Statement of principal accounting policies (continued)

Valuation Manual issued as at 1 January 1996 as amended (Depreciated Replacement Cost basis). Certain properties, where appropriate, have been valued in accordance with Practice Statement 4.2 of the Manual (Open Market Value).

- Capitalisation level
Fixed asset additions are capitalised where the cost of such assets exceeds £10,000. Items costing less than this amount are written off in the year of purchase.
- Depreciation
Depreciation is calculated to write off the cost or valuation of assets over their expected useful lives on a straight line basis. The principal expected useful lives are:

Buildings	10 to 80 years
Equipment	1 to 20 years
Fixtures and fittings	10 years
Vehicles	4 years

No depreciation has been provided for on freehold land.

- Investments
Investments are valued at cost less provision for diminution in value.

Maintenance of premises

An updated long term maintenance plan covering both the residential and non residential estate has been formally approved by the university and came into effect from the financial year 1997/98. This plan will be regularly reviewed and will form the basis of the sums required in future years to meet the cost of these major maintenance items. Costs will be charged to the income and expenditure account as incurred in accordance with FRS12.

Stock

Stock has been valued at the lower of cost and net realisable value.

Cash flows and liquid resources

Cash flows comprise increases or decreases in cash. Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. No investments, however liquid, are included as cash.

Liquid resources comprise assets held as a readily disposable store of value. They include term deposits, government securities and loan stock held as part of the university's treasury management activities. They exclude any such assets held as Endowment Asset Investments.

Taxation

The university is an exempt charity within the meaning of schedule 2 of the Charities Act 1993 and as such is a charity within the meaning of section 506(1) of the Taxes Act 1988. Accordingly, it is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

Nottingham Consultants Limited and its subsidiaries, Nottingham Law School Limited, NTU Power Services Limited, NTU Energy, Employment & Estates Services Limited, N.T.U. Accommodation Services Limited, Nottingham Trent Residences 1 Plc and NTU Charitable Trust are not subject to these exemptions and are liable for corporation tax on profits or gains arising. However, under a gift aid arrangement with the university, Nottingham Consultants Limited and its subsidiaries, Nottingham Law School Limited, NTU Power Services Limited, NTU Energy, Employment & Estates Services Limited and N.T.U. Accommodation Services Limited transfer all their taxable profits to the university to minimise the payment of corporation tax.

The university receives no similar exemption in respect of value added tax.

Consolidated income and expenditure account for year ended 31 July 2001

	Note	2001 £000	2000 £000
Income			
Funding council grants	1	60,320	57,334
Tuition fees and education contracts	2	29,029	27,550
Research grants and contracts	3	3,143	2,893
Other income	4	20,577	21,652
Endowment and Investment income	5	1,095	1,328
Total income		114,164	110,757
Expenditure			
Staff costs	6	70,423	65,771
Exceptional restructuring costs	18	4,126	-
Other operating expenses	7	35,958	36,365
Depreciation	11	6,364	6,494
Interest payable	8	3,311	4,110
Total expenditure	9	120,182	112,740
Deficit on continuing operations after depreciation of assets at valuation		(6,018)	(1,983)
Impairment of fixed assets		(2,112)	-
Deficit on continuing operations after depreciation of assets at valuation, disposal of assets and tax		(8,130)	(1,983)

Income and expenditure account

	2001 £000	2000 £000
Deficit on continuing operations after depreciation of assets at valuation, disposal of assets and tax	(8,130)	(1,983)
Release from revaluation reserve	3,788	1,680
Historical cost deficit after tax	(4,342)	(303)
Balance at 31 July 2000	35,070	35,373
Balance at 31 July 2001	30,728	35,070

In both the current and preceding years, the group made no material acquisitions and had no discontinued operations.

Statement of total recognised gains and losses for year ended 31 July 2001

	2001 £000	2000 £000
Deficit after depreciation of assets at valuation and tax	(8,130)	(1,983)
HEFCE reimbursement of principal element of debt charges	541	610
Total recognised losses relating to the year	<u>(7,589)</u>	<u>(1,373)</u>

Consolidated statement of historical cost surpluses and deficits for year ended 31 July 2001

	2001 £000	2000 £000
Deficit after depreciation of assets at valuation and tax	(8,130)	(1,983)
Difference between an historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	1,676	1,680
Realisation of revalued amounts on impaired assets	2,112	-
Historical cost deficit after tax	<u>(4,342)</u>	<u>(303)</u>

Consolidated balance sheet

as at 31 July 2001

	Note	Group 2001 £000	University 2001 £000	Group 2000 £000	University 2000 £000
Fixed assets					
Tangible assets	11	153,059	150,749	154,290	153,098
Investments	12	935	1,494	810	1,294
		<u>153,994</u>	<u>152,243</u>	<u>155,100</u>	<u>154,392</u>
Current assets					
Stock and stores in hand	13	594	395	482	280
Debtors: due within one year	14	8,944	10,992	6,704	8,793
Debtors: due after one year	15	16	2,649	77	2,237
		<u>8,960</u>	<u>13,641</u>	<u>6,781</u>	<u>11,030</u>
Short term deposits		11,000	10,498	15,500	14,993
Cash at bank and in hand		1,345	598	1,379	299
		<u>21,899</u>	<u>25,132</u>	<u>24,142</u>	<u>26,602</u>
Creditors: amounts falling due within one year	16	(13,207)	(12,126)	(13,962)	(13,179)
Net current assets		8,692	13,006	10,180	13,423
Total assets less current liabilities		162,686	165,249	165,280	167,815
Creditors: amounts falling due after more than one year	17	(44,260)	(45,003)	(45,315)	(46,267)
Provisions for liabilities and charges	18	(9,833)	(9,833)	(5,378)	(5,378)
Net assets		108,593	110,413	114,587	116,170
<i>Represented by:</i>					
Deferred capital grants	19	9,970	9,970	8,375	8,375
Reserves					
Revaluation reserve	20	67,835	69,215	71,082	72,462
Capital reserve	21	60	-	60	-
Income and expenditure account	22	30,728	31,228	35,070	35,333
		<u>98,623</u>	<u>100,443</u>	<u>106,212</u>	<u>107,795</u>
Total reserves		<u>98,623</u>	<u>100,443</u>	<u>106,212</u>	<u>107,795</u>
Total funds		108,593	110,413	114,587	116,170

The financial statements on pages 11 to 32 were approved by the Board of Governors on 10 December 2001 and signed on its behalf by:



Mr J Peace
Chairman



Prof R Cowell
Vice Chancellor

Consolidated cash flow statement for year ended 31 July 2001

	Note	2001 £000	2000 £000
Net cash inflow from operating activities	23	4,726	4,264
Returns on investments and servicing of finance	24	(2,233)	(1,637)
Capital expenditure and financial investment	25	(6,190)	(8,655)
Cash outflow before management of liquid resources and financing		(3,697)	(6,028)
Management of liquid resources	26	4,500	5,675
Financing	27	(461)	(517)
Increase/(decrease) in cash	28	342	(870)

Reconciliation of net cash flow to movement in net debt for year ended 31 July 2001

		2001 £000	2000 £000
Increase/(decrease) in cash in the period		342	(870)
Decrease in short term deposits		(4,500)	(5,675)
New loan acquired		(4,750)	(15,000)
Repayment of debt		5,752	15,434
Movement in deferred interest provision		61	736
Change in net debt		(3,095)	(5,375)
Net debt at 1 August		(29,748)	(24,373)
Net debt at 31 July	28	(32,843)	(29,748)

Notes

(forming part of the financial statements)

1 Funding council grants

	HEFCE £000	FEFC / LSC £000	2001 TTA £000	Total £000	2000 Total £000
Recurrent grant	46,875	2,154	2,250	51,279	50,965
Specific grants					
Continuing Vocational Education	34	-	-	34	27
Arts and Humanities Research Board	226	-	-	226	18
TTA Initiatives	-	-	1,023	1,023	234
PGCE	306	-	-	306	-
Reimbursement of debt charges	974	-	-	974	1,054
Research	3,048	-	-	3,048	2,360
Inherited liabilities – rents	358	-	-	358	358
Laboratory refurbishment	-	-	-	-	38
Hunter	757	-	-	757	7
Pathfinder initiative	25	-	-	25	-
Research initiative	381	-	-	381	371
Joint Information Systems Committee	39	-	-	39	6
Fund for the development of teaching and learning	131	-	-	131	223
Special learning difficulties and disablement	52	-	-	52	68
LAN/MAN	169	-	-	169	302
Continuing education	-	-	-	-	15
Procurement	14	-	-	14	6
Reachout	300	-	-	300	200
Mature bursaries	221	-	-	221	-
Summer Schools	20	-	-	20	-
Pricing and costing	12	-	-	12	-
Deferred capital grants released in year					
Buildings (note 19)	523	-	-	523	115
Equipment (note 19)	294	94	40	428	967
	54,759	2,248	3,313	60,320	57,334

2 Tuition Fees and Education Contracts

	2001 £000	2000 £000
Full-time students	13,580	14,014
Full-time students charged overseas fees	1,512	1,277
Part-time fees	1,410	1,453
Short course fees	12,527	10,806
	29,029	27,550

Notes

(continued)

3 Research grants and contracts

	2001 £000	2000 £000
Research councils	676	716
UK based charities	203	155
European Commission	923	592
Other grants and contracts	1,341	1,430
	<u>3,143</u>	<u>2,893</u>

4 Other income

	2001 £000	2000 £000
Residences, catering and conferences	8,408	8,421
Other income generating activities	9,816	10,270
Released from deferred capital grants (note 19)	492	207
Other income	1,861	2,754
	<u>20,577</u>	<u>21,652</u>

5 Endowment and Investment Income

	2001 £000	2000 £000
Income from short term investments	1,055	1,250
Other interest receivable	40	78
	<u>1,095</u>	<u>1,328</u>

6 Staff Costs

	2001 £000	2000 £000
<i>Employee costs:</i>		
Wages and salaries	60,631	57,509
Social security costs	4,596	4,336
Other pension costs	5,196	3,926
	<u>70,423</u>	<u>65,771</u>

Notes

(continued)

6 Staff costs (continued)

	2001 Number	2000 Number
<i>The average weekly number of persons (including senior post-holders) employed by the university during the period, expressed as full time equivalents, was:</i>		
Teaching departments	1,058	1,033
Teaching support services	756	763
Other support services	50	40
Administration and central services	218	228
Premises	336	355
Other	30	48
	<u>2,448</u>	<u>2,467</u>

Emoluments of the Vice Chancellor and higher paid employees:

The figures shown below include salaries and performance related pay paid under a system based on independent advice. They also include other benefits assessed as income for taxation purposes.

	2001 £000	2000 £000
Emoluments of the Vice Chancellor excluding pension contributions	154	142
Deferred performance related payment for year to 31 July 2000	11	-
	<u>165</u>	<u>142</u>
The university's pension contributions including contributions to the TPS	14	13
	<u>14</u>	<u>13</u>

Remuneration of higher paid staff, other than the Vice-Chancellor and excluding employers pension contributions:

	2001 Number	2000 Number
£50,001 - £60,000	45	32
£60,001 - £70,000	20	13
£70,001 - £80,000	5	4
£80,001 - £90,000	1	2
£90,001 - £100,000	2	1
	<u>2</u>	<u>1</u>

No remuneration was paid to the Chairman of the Board of Governors nor to other non-executive members of the Board and its subsidiary undertakings.

Notes

(continued)

6 Staff costs (continued)

Compensation for loss of office paid to former senior post-holders/higher paid employees

	2001 £000	2000 £000
Compensation paid and payable to the former post-holders	107	45
Estimated value of other benefits, including provisions for pension benefits	181	55
	<u>288</u>	<u>100</u>

The estimated value of other benefits has been calculated in accordance with Statement of Standard Accounting Practice 24.

7 Other operating expenses

	2001 £000	2000 £000
Consumables and laboratory expenses	7,580	6,932
Books and periodicals	1,477	1,205
Heat, light, water and power	1,813	2,260
Repairs and general maintenance	2,943	3,315
Rents and accommodation hire	2,126	1,682
Food and catering costs	792	742
Auditors' remuneration	35	40
Auditors' remuneration in respect of non-audit services	40	62
Equipment operating lease rentals	563	649
Course costs, professional and consultancy fees	7,938	6,598
Transport, travel and subsistence	2,260	2,154
Advertising, marketing, telephone and postage	2,353	2,658
Franchising	1,753	2,846
Rates	355	337
Insurance	280	246
Staff development and agency costs	1,090	1,322
Other expenses	2,560	3,317
	<u>35,958</u>	<u>36,365</u>

8 Interest payable

	2001 £000	2000 £000
Bank and other loans wholly repayable within five years	7	-
Loans not wholly repayable within five years	974	1,054
Finance leases	2,330	3,056
	<u>3,311</u>	<u>4,110</u>

Notes

(continued)

9 Analysis of expenditure by activity

	Staff costs £000	Depreciation £000	Other operating expenses £000	Interest payable £000	Total £000
Academic departments	52,234	709	13,675	-	66,618
Academic services	5,916	1,122	6,708	316	14,062
Research grants and contracts	1,824	-	1,102	-	2,926
Residences, catering and conferences	2,080	666	3,720	2,014	8,480
Premises	4,728	2,752	5,377	981	13,838
Administration	6,135	1,070	3,941	-	11,146
Other expenses	1,632	45	1,435	-	3,112
Total per income and expenditure account	<u>74,549</u>	<u>6,364</u>	<u>35,958</u>	<u>3,311</u>	<u>120,182</u>

£000

The depreciation has been funded by:

Deferred capital grants released (note 19)	1,443
Revaluation reserve released (note 20)	1,676
General income	<u>3,245</u>
	<u><u>6,364</u></u>

10 Deficit on continuing operations for the period

The deficit on continuing operations for the period is made up as follows:

	2001 £000	2000 £000
University deficit for the period	(8,223)	(2,613)
Surplus generated by subsidiary undertakings and transferred to the university under a gift aid payment	<u>93</u>	<u>630</u>
	<u>(8,130)</u>	<u>(1,983)</u>

Notes

(continued)

11 Tangible assets

	Group			Total £000
	Freehold land and buildings £000	Fixtures and fittings £000	Furniture and equipment £000	
<i>Cost or valuation:</i>				
At 1 August 2000	180,243	1,188	40,554	221,985
Additions	3,441	749	3,985	8,175
Transfer to current assets	(925)	-	-	(925)
Impairment of property transferred to current assets	(2,375)	-	(8)	(2,383)
At 31 July 2001	180,384	1,937	44,531	226,852
<i>Depreciation:</i>				
At 1 August 2000	34,743	533	32,419	67,695
Charge for the year	3,048	132	3,184	6,364
Impairment of property transferred to current assets	(263)	-	(3)	(266)
At 31 July 2001	37,528	665	35,600	73,793
<i>Net book value:</i>				
At 31 July 2001	142,856	1,272	8,931	153,059
At 31 July 2000	145,500	655	8,135	154,290
		Freehold land and buildings £000	University Furniture and equipment £000	Total £000
<i>Cost or valuation:</i>				
At 1 August 2000		179,252	38,286	217,538
Additions		3,206	3,291	6,497
Transfer to current assets – sale of property		(925)	-	(925)
Impairment of property transferred to current assets		(2,375)	-	(2,375)
At 31 July 2001		179,158	41,577	220,735
<i>Depreciation:</i>				
At 1 August 2000		34,003	30,437	64,440
Charge for the year		2,861	2,948	5,809
Impairment of property transferred to current assets		(263)	-	(263)
At 31 July 2001		36,601	33,385	69,986
<i>Net book value:</i>				
At 31 July 2001		142,557	8,192	150,749
At 31 July 2000		145,249	7,849	153,098

Notes

(continued)

11 Tangible assets (continued)

Freehold land with a book value of £13,265,000 (2000: £13,265,000) (Consolidated and University) is not depreciated. In accordance with the current RICS practice notes, the land element of the university's estate has been valued net of the costs of demolishing any buildings on that land.

Included in the total net book value of freehold land and buildings is £35,692,000 (2000: £40,808,000) (Consolidated and University) in respect of assets held under finance leases and similar arrangements. Depreciation for the year on these assets was £462,000 (2000: £589,000).

On 2 August 1999 the university signed a deed preserving the 'further education asset base' inherited following its merger with Brackenhurst College on 1 April 1999. In the event of a total failure to preserve the asset base, the Learning & Skills Council shall have the right to call for the repayment of the 'further education asset base', being the greater of the value of indexed-based 'chattels' less 'liabilities' or the total cost of replacing the land asset with accommodation and facilities of comparable quality, size and location. This deed shall be renewed no later than the third anniversary of its signing.

The university has entered into a lease with a developer for the provision of a hotel/gym complex on its Goldsmith Square car park. The lease is for 50 years with breaks at 15 and 25 years. At the conclusion of the lease, the whole of the property will revert to the university.

Land and buildings with a net book value of £6,275,000 have been financed by exchequer funds.

The university has signed a contract to sell a property after the year end. As the asset is no longer in use it has been impaired and the amount due from the sale proceeds has been transferred to current assets.

12 Investments

	Group				Total £000
	Other investments other than loans £000	Listed investments £000	Other loans £000		
Cost:					
At 1 August 2000	760	-	50		810
Additions	246	34	-		280
Disposals	(155)	-	-		(155)
At 31 July 2001	851	34	50		935

	University				Total £000
	Shares in group undertakings £000	Other investments other than loans £000	Listed investments £000	Other loans £000	
Cost:					
At 1 August 2000	597	647	-	50	1,294
Additions	20	146	34	-	200
At 31 July 2001	617	793	34	50	1,494

Notes

(continued)

12 Investments (continued)

The university owns the total issued share capital of 65,000 ordinary shares of £1 in Nottingham Consultants Limited, 545,000 ordinary shares of £1 in Nottingham Law School Limited, 2,000 ordinary shares in N.T.U. Accommodation Services Limited, 5,000 ordinary shares in NTU Power Services Limited (formerly Nottingham Trent University Energy and Estates Services Limited) and 2 ordinary shares of £1 in Nottingham Trent Residences 1 PLC, all companies being registered in Great Britain and incorporated in England and Wales. The university also owns 19% of the issued share capital of IC Routing Limited. Listed investments represent investments listed on the London Stock Exchange.

13 Stock

	Group 2001 £000	University 2001 £000	Group 2000 £000	University 2000 £000
Consumables	448	354	460	258
Goods for resale	146	41	22	22
	<u>594</u>	<u>395</u>	<u>482</u>	<u>280</u>

14 Debtors: amounts falling due within one year

	Group 2001 £000	University 2001 £000	Group 2000 £000	University 2000 £000
Trade debtors	4,702	4,779	4,598	4,569
Income tax recoverable	170	170	344	314
Other debtors	88	-	61	-
Property for resale	925	925	-	-
Amounts owed by subsidiary undertakings	-	2,787	-	2,730
Loan to Union of Students	-	172	-	172
Prepayments and accrued income	2,641	2,159	1,208	1,008
VAT recoverable	418	-	493	-
	<u>8,944</u>	<u>10,992</u>	<u>6,704</u>	<u>8,793</u>

Interest is receivable on the unsecured loans to subsidiary undertakings at prevailing rates of interest and the loans are repayable on demand.

15 Debtors: amounts falling due after more than one year

	Group 2001 £000	University 2001 £000	Group 2000 £000	University 2000 £000
Other debtors	16	-	77	-
Amounts owed by subsidiary undertakings (note 14)	-	2,649	-	2,237
	<u>16</u>	<u>2,649</u>	<u>77</u>	<u>2,237</u>

Notes

(continued)

16 Creditors: amounts falling due within one year

	Group 2001 £000	University 2001 £000	Group 2000 £000	University 2000 £000
Loans from LEAs	540	540	548	548
Bank loan	90	-	90	-
Bank overdraft	298	-	674	572
General creditors	1,540	1,439	1,176	806
Amounts owed to subsidiary undertakings	-	328	-	359
Other creditors including tax and social security	2,801	2,762	2,266	2,266
Income tax payable	-	-	43	-
Accruals and deferred income	7,938	7,057	9,165	8,628
	<u>13,207</u>	<u>12,126</u>	<u>13,962</u>	<u>13,179</u>

Accruals and deferred income includes £679,000 (2000: £365,000) of HEFCE grant for special education initiatives, £112,000 (2000: £774,000) of HEFCE research allocations and £nil (2000: £757,000) HEFCE capital related grant.

17 Creditors: amounts falling due after more than one year

	Group 2001 £000	University 2001 £000	Group 2000 £000	University 2000 £000
Loans from LEAs				
Repayable between one and five years	2,160	2,160	2,192	2,192
Repayable in six years or more	8,094	8,094	8,595	8,595
	<u>10,254</u>	<u>10,254</u>	<u>10,787</u>	<u>10,787</u>
Bank loan	135	-	225	-
Finance leases and similar arrangements for building projects	33,871	34,190	34,303	34,622
Other creditors	-	559	-	858
	<u>44,260</u>	<u>45,003</u>	<u>45,315</u>	<u>46,267</u>

All LEA loans are unsecured and are repayable by instalments over various periods up to a maximum of 55 years. Interest is charged on the preceding 31 March outstanding balance at the average external cost of borrowing in the financial year ended 31 March.

Notes

(continued)

17 Creditors: amounts falling due after more than one year (continued)

Leases and loans for building projects are secured on the relevant properties and are repayable over varying periods up to a maximum of 30 years. Rates of interest are stepped or uplifted over the terms of the leases and loans.

The underlying interest rates are in accordance with prevailing market rates. Amounts payable under leases and loans for residence projects are as follows:

	Group 2001 £000	University 2001 £000	Group 2000 £000	University 2000 £000
Repayable after five years	33,871	34,190	34,303	34,622

Two 30 year leases have been entered into which include an option for early termination by the university at various points in time. In accounting for these agreements the assumption has been made that the option will be exercised after 25 years. In addition to the relevant properties these two leases are also secured on the contents of a deposit account which at 31 July 2001 totalled £793,000 (2000: £647,000).

The bank loan is unsecured and is repayable by instalments over a 10 year period. Interest is charged on the outstanding balance at prevailing market rates.

18 Provisions for liabilities and charges

	Group and University		
	Restructuring £000	Pensions £000	Total £000
At 1 August 2000	-	5,378	5,378
Charge for the year	4,126	925	5,051
	<hr/>	<hr/>	<hr/>
	4,126	6,303	10,429
Utilised in year	(184)	(412)	(596)
	<hr/>	<hr/>	<hr/>
At 31 July 2001	3,942	5,891	9,833
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes

(continued)

19 Deferred capital grants

	Group and University		
	Funding	Other	
	councils	grants and	Total
	£000	benefactions	£000
At 1 August 2000			
Buildings	4,435	3,476	7,911
Equipment	428	36	464
	<u>4,863</u>	<u>3,512</u>	<u>8,375</u>
Total			
Cash received			
Buildings	2,363	675	3,038
Equipment	-	-	-
	<u>2,363</u>	<u>675</u>	<u>3,038</u>
Total			
Released to income and expenditure account			
Buildings (notes 1 and 4)	523	486	1,009
Equipment (notes 1 and 4)	428	6	434
	<u>951</u>	<u>492</u>	<u>1,443</u>
Total			
At 31 July 2001			
Buildings	6,275	3,665	9,940
Equipment	-	30	30
	<u>6,275</u>	<u>3,695</u>	<u>9,970</u>
Total	6,275	3,695	9,970

Notes

(continued)

20 Revaluation reserve

	Group 2001 £000	University 2001 £000	Group 2000 £000	University 2000 £000
<i>Revaluations</i>				
At 1 August	92,913	94,293	92,913	94,293
Eliminated on impairment	(2,375)	(2,375)	-	-
At 31 July	90,538	91,918	92,913	94,293
<i>Contributions to depreciation</i>				
At 1 August	21,831	21,831	20,761	20,761
Eliminated on impairment	(263)	(263)		
Released in year	1,676	1,676	1,680	1,680
Less: reimbursed by HEFCE	(541)	(541)	(610)	(610)
At 31 July	22,703	22,703	21,831	21,831
<i>Net revaluation amount</i>				
At 31 July 2001	67,835	69,215	71,082	72,462
At 31 July 2000	71,082	72,462	72,152	73,532

21 Capital reserve

	Group 2001 £000	University 2001 £000	Group 2000 £000	University 2000 £000
At 1 August 2000 and 31 July 2001	60	-	60	-

The capital reserve arose on consolidation of the Union of Students.

Notes

(continued)

22 Consolidated income and expenditure account

The group income and expenditure account of £30,728,000 (2000: £35,070,000) includes funds which are earmarked for specific purposes as follows:

	2001 £000	2000 £000
Uncommitted contingency reserve	874	4,500
Depreciation	20,103	19,074
Departmental and specific projects	9,751	11,496
	<u>30,728</u>	<u>35,070</u>

23 Reconciliation of consolidated operating surplus to net cash from operating activities

	2001 £000	2000 £000
Deficit after depreciation of assets at valuation and after tax	(8,130)	(1,983)
Release of capital grant (note 19)	(1,443)	(1,289)
Depreciation (note 11)	6,364	6,494
Impairment of fixed assets	2,112	-
Loss on disposal of fixed assets/investments	87	-
(Increase)/decrease in stock	(112)	53
(Increase)/decrease in debtors	(1,298)	92
Increase/(decrease) in creditors	475	(1,520)
Increase/(decrease) in provisions	4,455	(365)
Interest payable	3,311	4,110
Interest receivable	(1,095)	(1,328)
Net cash inflow from operating activities	<u>4,726</u>	<u>4,264</u>

24 Returns on investments and servicing of finance

	2001 £000	2000 £000
Income from short term investments	1,099	1,893
Other interest received	40	6
Interest paid	(4,346)	(4,590)
HEFCE debt reimbursement	974	1,054
	<u>(2,233)</u>	<u>(1,637)</u>

Notes

(continued)

25 Capital expenditure and financial investment

	2001 £000	2000 £000
Tangible assets acquired (other than leased equipment)	(9,021)	(10,010)
Deferred capital grants received (note 19)	3,038	1,565
Purchase of investments	(207)	(210)
	<u>(6,190)</u>	<u>(8,655)</u>

26 Management of Liquid Resources

	2001 £000	2000 £000
Withdrawals from deposits	<u>4,500</u>	<u>5,675</u>

27 Financing

	2001 £000	2000 £000
New loans	4,750	15,000
Repayment of amounts borrowed	(5,752)	(16,170)
Amounts reimbursed by HEFCE	541	653
Net cash outflow	<u>(461)</u>	<u>(517)</u>

28 Analysis of changes in net debt

	At 1 August 2000 £000	Cash flows £000	Other Changes £000	At 31 July 2001 £000
Cash at bank and in hand	1,379	(34)	-	1,345
Bank overdraft	(674)	376	-	(298)
	<u>705</u>	<u>342</u>	<u>-</u>	<u>1,047</u>
Short term deposits	15,500	(4,500)	-	11,000
Debt due within one year	(638)	90	(82)	(630)
Debt due after one year	(45,315)	371	684	(44,260)
	<u>(29,748)</u>	<u>(3,697)</u>	<u>602</u>	<u>(32,843)</u>

29 Major non-cash transactions

During the year the university made a provision of £925,000 for future pension costs and £3,942,000 for exceptional restructuring costs – see note 18.

Notes

(continued)

30 Pension and similar obligations

The university participates, principally, in two pension schemes, the Teachers Pension Scheme (TPS) and the Nottinghamshire County Council Superannuation Scheme (NCCSS). These are both independently administered and are defined benefit schemes that are funded from the university and employees.

The TPS is valued every five years by the Government Actuary. Contributions are paid by the university at the rate specified by the Government Actuary and during this accounting period were equal to 7.4%. From April 2002 the rate will increase by 0.95% to 8.35%. The TPS is a multi-employer scheme where the share of the assets and liabilities applicable to each employer is not identified. The university will, therefore, account for its pension costs on a defined contribution basis as permitted by FRS 17. This will include the additional 0.95% contribution payable from April 2002 to make up the deficiency in funding level disclosed at the last valuation.

The NCCSS is valued every three years by a professionally qualified independent actuary using the projected unit method, the rates of contribution payable being determined by the actuary and during this accounting period were equal to 9.6%. The university has attempted to obtain information on its share of assets and liabilities in the NCCSS at the balance sheet date in accordance with FRS 17. Full information on this basis is not available and for the current year the university has accounted for its pension costs on a defined contribution basis as envisaged by FRS 17 in these circumstances. This position will be reviewed on an annual basis.

Pension Fund position at last valuation

	TPS 31 March 1996	NCCSS 31 March 1998
Latest actuarial valuation	Prospective benefits	Projected unit
Valuation method	*£38,369m	£1,204m
Value of assets	86.6%	96%
Funding level for accrued benefits	8.5%	7.5%
Investment return per annum	6.5%	5.25%
Salary scale increases per annum	5.0%	3.5%
Pension increase per annum		

* The assets of the TPS are notional assets.

The pension charge for the year was £5,196,000 (2000: £3,926,000); this included an amount in respect of enhanced pension entitlements of staff taking early retirement. The calculation of the cost of early retirement provisions charged to the income and expenditure account in the year of retirement is based on the total capital cost of providing enhanced pensions with allowance for future investment returns at 3.5% (2000: 3.5%) in excess of price inflation.

A provision of £925,000 (2000: £126,000) has been made in the 2001 financial statements for liabilities and charges representing the extent to which the capital cost charged exceeds actual payments made. The provision will be released against the cost to the university of enhanced pension entitlements over the estimated life expectancy of each relevant employee.

Where an institution closes and there is no successor establishment, the Secretary of State becomes the compensating authority.

Other pension matters

Decisions by the European Court of Justice ('ECJ') may increase the liability for pension provision of UK employers in respect of part-time employees who opt to become members of the schemes. The implications of the ECJ decisions are, however, unclear and clarification is now awaited from the UK courts. In view of this uncertainty, the university has not made any provision in relation to this matter.

Notes

(continued)

31 Commitments

The group has entered into capital commitments totalling £1.1 million. These contracts were in progress at the end of this accounting period and payments to the end of the accounting period total £0.3 million.

The university has concluded a £27 million loan facility in order to refinance existing loans on student residences and academic support buildings. At the end of the year £19.75 million had been drawn down.

The group has annual commitments relating to operating leases as follows:

	2001 £000	2000 £000
<i>Leases of buildings expiring:</i>		
In two to five years	1,052	1,013
In over five years	830	673
	<u>1,882</u>	<u>1,686</u>
	<u>£000</u>	<u>£000</u>
<i>Leases of plant and equipment expiring:</i>		
Within one year	94	65
In two to five years	468	302
	<u>562</u>	<u>367</u>

32 Related party transactions

The company controls 90% or more of the voting rights of all subsidiary undertakings. Therefore the company has taken advantage of the exemption contained in Financial Reporting Standard Number 8 and has not disclosed transactions or balances with entities that form part of the group and are included within these financial statements.

33 Access funds

	2001 £000	2000 £000
Funding council grants	1,014	1,547
Interest earned	13	17
	<u>1,027</u>	<u>1,564</u>
Disbursements to students	(1,027)	(1,564)
Balance unspent at 31 July	<u>-</u>	<u>-</u>

Funding Council grants are available solely for students; the university acts only as paying agent. The grants and related disbursements are therefore excluded from the income and expenditure account.

Acknowledgement

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