

## UNIVERSITY OF WESTMINSTER

### REPORT AND FINANCIAL STATEMENTS

For the year ended 31 July 2002

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## UNIVERSITY OF WESTMINSTER

### MISSION STATEMENT

The mission of the University of Westminster is to provide high quality education and research in both national and international contexts for the intellectual, social and professional development of the individual and for the economic and cultural enrichment of London and wider communities.

## UNIVERSITY OF WESTMINSTER

(A Company Limited by Guarantee and an Exempt Charity)

### Chairman of the Court of Governors

*Sir Alan Thomas, BSc FCMA CEng FIEE CIMgt*

### Vice-Chancellor and Rector

*Dr Geoffrey M. Copland, MA(Oxon) DPhil(Oxon) CPhys MInstP FRSA*

### Company Secretary

*Carole Mainstone, MA MBA*

### Director of Finance

*Philip Harding, MSc FCMA*

### Auditors

*Deloitte & Touche, Chartered Accountants  
St Albans*

### Bankers

*National Westminster Bank plc  
HSBC plc  
Lloyds Bank plc*

### Registered Office

*309 Regent Street, London W1B 2UW*

### Registered Number

*977818 England and Wales*

## UNIVERSITY OF WESTMINSTER

## CHAIRMAN'S STATEMENT

On behalf of the Court of Governors and Board of Directors, I am pleased to report that the University has made further substantial progress during the past year. A range of objectives, in such important areas as attracting and retaining students, teaching quality, and academic portfolio development have been fulfilled. The upgrading of our Marylebone campus was successfully completed, as was the University's other major capital programme, the updating of our IT communications infrastructure.

Income for the year ended 31 July 2002 was £102.8m compared with £95.1m last year. The corresponding historical cost surplus was £2.5m (£2.3m in 2000/2001). Net assets as at 31 July 2002 were £61.5m compared with £59.4m a year earlier and cash balances were strong. This is a worthwhile achievement in a sector characterised by underfunding, increased competition, pressure on costs, and such uncertainty concerning student finance.

Looking forward, we intend to keep our academic courses distinctive, fresh and competitive, enhance Westminster's innovative climate, expand research and successful subject areas and continuously seek to improve the student experience. We are planning to embark upon the final phase of the University's estate strategy, which is a major capital programme to modernise and upgrade the Cavendish Campus. In addition, we intend to expand our commercial income and to reduce our dependence on government sources of income.

In conclusion, on behalf of the governors, I would like to thank the Vice Chancellor and every member of the University's staff for their contribution to this strong performance.

**Sir Alan Thomas**

November 2002

## UNIVERSITY OF WESTMINSTER

## COURT OF GOVERNORS

The following were Governors (Directors) of the University during the year ended 31 July 2002:

	Appointed	Resigned
<b>Chairman</b>	Sir Alan Thomas	
<b>Deputy Chairman</b>	Sir Malcolm Bates	16.04.02
Ms K Bahl		
Mr C Beaney		01.07.02
Cllr J Bianco		24.04.02
Mr G Cole		
Dr G M Copland (Vice-Chancellor and Rector)		
Mr M J Crosby		
Ms M Crotty		10.12.01
Cllr M Davine		
Ms M Grinfeld	10.12.01	
The Hon Dame Mary Hogg		
Cllr A Hooper	01.07.02	
Dr M Kimberley	10.12.01	
Dr D Lloyd		
Mr I Lotay	01.07.02	
Mr D Lovett	29.04.02	
Ms I Macpherson		
Ms S Maddock		10.12.01
Dr B M Minton		
Mr I Newton		
Professor K Phillips	10.12.01	
Ms M Salandy-Brown		
Ms H Scott	29.04.02	
Professor J R Shackleton		10.12.01
Mr P J Snell		
Mr R Sockett	10.12.01	
Mr G Sutton	10.12.01	
Dr M Tyler (Deputy Vice-Chancellor and Rector)		
Mr J N White		30.04.02

## UNIVERSITY OF WESTMINSTER

## COMMITTEE MEMBERSHIP

**Finance and Property**

Dr Barry Minton (Chairman)  
 Ms Kamlesh Bahl  
 Dr Geoffrey Copland  
 Ms Ishbel Macpherson  
 Ms Hilary Scott  
 Mr Graham Sutton  
 Sir Alan Thomas

**Personnel**

Mr John Crosby (Chairman)  
 Mrs Margaret Davine  
 Dr Marion Kimberley  
 Mrs Marina Salandy-Brown  
 Mr Philip Snell  
 Dr Maud Tyler

**Audit**

Mr Ian Newton (Chairman)  
 Mr Godfrey Cole  
 Miss Angela Hooper  
 Dr Donald Lloyd  
 Mr David Lovett

**Nominations**

Sir Alan Thomas (Chairman)  
 Mr Godfrey Cole  
 Dr Geoffrey Copland  
 Professor Keith Phillips  
 Mrs Marina Salandy-Brown  
 Mr Philip Snell

**Remuneration**

Sir Alan Thomas (Chairman)  
 Dr Geoffrey Copland  
 Mr John Crosby  
 Dr Marion Kimberley  
 Dr Donald Lloyd

## UNIVERSITY OF WESTMINSTER

## COURT OF GOVERNORS (continued)

**Ms Kamlesh Bahl, LLB, CBE** is a non-executive director of London Transport. She was vice-president of the Law Society and was formerly chairwoman of the Equal Opportunities Commission. She is a member of Council of the Open University.

**Mr Godfrey Cole, LLM, Barrister** is a district chairman in the Appeals Service. He was previously head of Law School at the University where he had been on the staff for many years.

**Dr Geoffrey Copland, MA, DPhil, CPhys, MInstP, FRSA** is Vice-Chancellor and Rector of the University. He chairs the Universities and Colleges Employers Association.

**Mr John Crosby, BA, MA, CIMgt, CCIPD, FIOD, FRSA** is a management consultant, a member of the Employment Appeal Tribunal and the Civil Service Arbitration Tribunal, a governor and a past chairman of Croydon College, a governor of the Centre for International Briefing (Farnham Castle) and a court member of the University of Sussex.

**Mrs Margaret Davine BA, MA** is a Harrow Borough councillor.

**Ms Monica Grinfeld** is a lecturer in the School of Architecture and the Built Environment at the University of Westminster.

**The Hon Dame Mary Hogg DBE, FRSA** has an honorary LL.D. from the University. A former QC, she is now a High Court Judge in the Family Division. Her great-grandfather, Quintin Hogg, founded The Polytechnic.

**Councillor Mrs Angela Hooper CBE, DL** is a Westminster City Councillor.

**Dr Marion Kimberley, BSc, MSc, PhD, FIMA, CMath** recently retired as Director of Personnel at Imperial College of Science, Technology & Medicine.

**Dr Donald Lloyd, MSc, PhD, CEng** is Risk Services Director of Amersham plc and External Risk Management Advisor to two Research Councils.

**Mr I Lotay** is the 2002/3 sabbatical president of the University of Westminster Students' Union.

**Mr David Lovett BA (Hons), FCA** is Dissolution Partner for Arthur Andersen in the UK.

**Ms Ishbel Macpherson, MA**, is a Director of Dresdner Kleinwort Wasserstein, where she runs the Corporate Finance team responsible for supporting UK growth companies.

**Dr Barry Minton, BSc, PhD** is a chairman and director of several venture-capital funded companies.

**Mr Ian Newton, FCA** is a director of Powerstrand Limited. He is chairman of the Audit Committee.

## UNIVERSITY OF WESTMINSTER

### COURT OF GOVERNORS (continued)

**Professor Keith Phillips MA, PuD, AFBPS**, is a Chartered Health Psychologist and Head of the School of Social Sciences, Humanities and Languages at the University of Westminster. He is a staff representative as nominated by the Academic Council.

**Ms Marina Salandy-Brown BA, PGDip, FRSA** is an editor and managing editor of news and current affairs programmes with the BBC and a member of a number of public bodies.

**Ms Hilary Scott MSc, FHM** is presently the Deputy Health Service Ombudsman. She had been a senior health service manager for several years before her appointment to this post in 1999.

**Mr Philip Snell, BA, MA, FRSA** retired headmaster of Kingsbury High School. He is an advisor to the London Borough of Brent's Education Department, a consultant to the Institute of Education, and vice-president of the British Association of Local History.

**Mr Richard Sockett, BSocSci, MSc** is a member of AUA. He is the undergraduate office manager at the Cavendish Campus.

**Mr Graham C Sutton FRICS, IRRV** is a partner in Freeth Melhuish Chartered Surveyors and a director of two property companies.

**Sir Alan Thomas, BSc, FCMA, CEng, FIEE, CIMgt** is Chairman of the Court of Governors. He is chairman of Hyder Consulting plc, Three Valleys Water plc and Chelverton Asset Management Ltd. He was formerly President and CEO of Raytheon Europe International, a member of the Engineering Council and a director of Powergen plc.

**Dr Maud Tyler, BA, Cert Ed, PhD, FIL, FRSA** is Deputy Vice-Chancellor of the University and Provost of the Harrow Campus.

## UNIVERSITY OF WESTMINSTER

### REPORT OF THE COURT OF GOVERNORS

#### FINANCIAL STATEMENTS

For the year ended 31 July 2002

#### 1. ACTIVITIES

The University of Westminster provides industrial, commercial, professional and scientific education, training and research for students at all levels of higher education. The mission statement also highlights the international dimension of the University and its role in supporting the London region. There has been no significant change in the activities of the University during the year.

#### 2. OPERATING AND FINANCIAL REVIEW

In the year to 31 July 2002 the University's total income rose by 8% to £102.8m, and is estimated to reach £106m in the coming year. This reflects the continuing fulfilment of the University's strategic aims and in particular our performance in attracting and retaining students at all levels and securing income from external sources. The University has also successfully directed staff and resources towards generating commercial income as a means of sustaining our primary activities and providing cash for reinvestment.

Our historical cost surplus for the year was £2.5m, slightly greater than our budgeted target and consistent with the achievement of an annual surplus of 3% of operating turnover. When we set this target, it was clear that the consistent annual achievement of this level of surplus would be a challenging aim and this has proved to be correct. We have had to respond to a tight public funding settlement for higher education, increasing competition in all our markets, cost pressures at levels substantially and consistently greater than the funded rate of inflation, and the need to generate funds for reinvestment in support of our strategic aims.

The total value of our revenue reserves now stands at £25.5m (compared to £22.9m in 2000-01) and represents 25% of our total annual income (compared to 24% in 2000-01). This is equivalent to 90 days of operating expenditure by the University. In an increasingly turbulent operating environment this remains too low and the effort to achieve a more satisfactory level will be sustained.

Our income derives from a range of sources. The proportion of our total income deriving from Funding Council grants (excluding capital grants) in 2001-02 remained unchanged at 47%, although our intention remains to reduce dependence on government sources of funding in order to provide greater resilience. Total research income rose slightly from £6.5m to £6.7m, although a greater proportion was derived from Funding Council grants and efforts will continue to be made to stimulate other sources of research funding.

## UNIVERSITY OF WESTMINSTER

In 2001-2002 expenditure on staffing rose by £4.8m or 9.5%, and this remains the greatest area of continuing expenditure, accounting for 54% of the University's total revenue expense. Permanent staff numbers grew by 4.6%, accounting for a proportion of the increase in staff costs. The cost of employer's pension contributions also rose significantly.

The University invested £5.3m of capital expenditure in 2001-02 (compared to £5.1m in 2000-01). This investment was undertaken in order to continue the achievement of the estate strategy and to ensure we have a modern and effective network and IT communications infrastructure. A significant proportion of this has been invested at the University's Marylebone Campus for a programme of works that have substantially upgraded the campus, including the provision of new modern teaching facilities. The final phase of this project will be completed during 2002-03. Other projects have included the redevelopment of sport and recreation facilities at Chiswick and the commencement of the redevelopment of the Cavendish Campus (see below).

Achieving the target level of surplus and maintaining control over working capital, particularly the collection of money from debtors, enables the University to sustain this programme of capital investment without significantly eroding our cash balances. Cash balances at the year end were enhanced by the early repayment by the Regent Street Polytechnic Trust of a £3m loan.

### 3. FUTURE DEVELOPMENTS

The University is continuing with the estates investment programme, completing the Marylebone Road project and progressing the redevelopment of the site at New Cavendish Street. This latter project is the last major component of the University's estate strategy, set in 1993, which sought to consolidate activity on the four primary campus sites, realise their development potential and thus permit the disposal of a number of peripheral properties. The Cavendish redevelopment project is of a significant scale, £24m for the first phase, and will very substantially modernise and expand the facilities for staff and students.

The future holds a number of challenges for higher education, not least the uncertainty concerning government policy and spending levels in this area. The impact of possible changes in the system of student support and tuition fees is difficult to gauge. Furthermore, competition from other universities and the private sector is steadily intensifying. The University, however, is looking ahead to the opportunities and challenges in good financial health. Operating performance is consistently strong and this will lead to a strengthening of the balance sheet as well as the generation of the resources to invest as necessary in the staff and the physical infrastructure of the university in order to ensure a successful future.

### 4. GOVERNORS

All Governors of the University are Directors of the Company. A list of Governors who served during the year to 31 July 2002 appears on page 5. None of the Governors had an interest in any contract which subsisted during the period of this report, other than those who are full-time members of staff and those associated with the transactions disclosed in note 32 (related party transactions) to the accounts.

## UNIVERSITY OF WESTMINSTER

### 5. EMPLOYEE PARTICIPATION

The University's committee structure ensures staff participation in the decision-making processes of the University. Meetings of the Joint Consultative and Negotiating Committees (with representation from management and trade unions) are held at frequent intervals. The Vice-Chancellor issues a regular briefing to all staff, providing information on the University's performance and plans, and a magazine is distributed to all employees.

### 6. DIVERSITY POLICY

The University of Westminster is committed to promoting diversity in all its dealings with employees and job applicants. The Equal Opportunities Policy is binding on all appointments, irrespective of category. The policy seeks to ensure that no applicant receives less favourable treatment on the grounds of race or colour, nationality, ethnic or national origins, gender, marital status, sexual orientation, disability, age, family responsibility, trade union activity, political or religious belief.

### 7. HEALTH AND SAFETY

The Court of Governors, in compliance with the Health and Safety at Work Act 1974, recognises and accepts the responsibility as far as reasonably practicable as an employer to provide a safe and healthy workplace for all its employees. It also accepts the responsibility to conduct its undertaking in such a way as to ensure that, so far as is reasonably practicable, persons not in the University's employ, i.e. students, visitors and members of the general public, are not exposed to risks to their health, safety or welfare.

### 8. AUDITORS

A resolution to appoint KPMG as auditors for the year ending 31 July 2003 will be proposed at the forthcoming Annual General Meeting.

Approved by the Court of Governors and signed on behalf of the Court.

Carole Mainstone

Company Secretary

9 December 2002

## UNIVERSITY OF WESTMINSTER

### CORPORATE GOVERNANCE STATEMENT

The University is committed to exhibiting best practice in all aspects of corporate governance. This summary describes the manner in which the University has applied the principles set out in Section 1 of the Combined Code on Corporate Governance issued by the London Stock Exchange in June 1998. Its purpose is to help the reader of the accounts understand how the principles have been applied.

The Court of Governors is responsible for the University's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Court of Governors, with advice from the Audit Committee, approved in October 2002 a Risk Management Policy. The policy requires the University to identify and assess the main risks which present opportunities or threats to meeting the University's objectives; to assign an agreed order of priority to the risks; to focus attention and effort in accordance with that order of priority; and to put in place control systems to cover the risks. The Vice-Chancellor's Executive Group is responsible for implementing the policy during the year ending 31 July 2003 and has established a Risk Management Group to assist it in this work. The policy and its implementation will be regularly reviewed by the Court of Governors in order to ensure that it continues to meet the internal control guidance for directors on the Combined Code as applied to Higher Education.

### THE COURT OF GOVERNORS AND THE VICE-CHANCELLOR'S EXECUTIVE GROUP

The Court of Governors, which meets formally five times a year, currently comprises two executive and twenty one non-executive Governors with a clear separation of the roles of the non-executive chairman, Sir Alan Thomas and the chief executive, Dr Geoffrey Copland (Vice-Chancellor and Rector). Sir Malcolm Bates resigned as deputy chairman on 16 April 2002. The Court has both staff and student members. The Court approves the University's long-term objectives and strategies and provides overall financial and organisational control. It delegates responsibility for the University's operations to the Vice-Chancellor who, supported by his Executive Group, implements the Court's policy and develops and manages the University's business to meet its financial objectives and standards of quality and service on education and research.

### AUDIT COMMITTEE

This Committee is chaired by Mr Ian Newton and comprises four other non-executive Governor members. The Audit Committee meets at least four times a year and reviews the work of the external and internal auditors of the University. The Committee considers detailed reports, together with recommendations for the improvement of the University's systems of internal control and management's response and implementation plans. It also receives and considers reports from the

## UNIVERSITY OF WESTMINSTER

Higher Education Funding Council for England (HEFCE) and how they affect the University's business and monitors adherence with the regulatory requirements. It reviews the University's annual financial statements, together with the accounting policies. Whilst senior executives attend meetings of the Audit Committee as necessary, they are not members of the Committee and the Committee does meet with the external auditors on their own for independent discussion.

### FINANCE AND PROPERTY COMMITTEE

This Committee is chaired by Dr Barry Minton and comprises five other non-executive Governors and the Vice-Chancellor and meets at least four times a year. The Committee recommends to the Court of Governors the University's annual revenue and capital budgets (including the estates strategy) and monitors performance in relation to approved budgets. Furthermore, it also recommends to the Court the annual financial statements, having been satisfied that management is properly discharging its responsibilities to control and account for the income, expenditure and assets of the University in compliance with the guidelines of HEFCE and the applicable laws.

### PERSONNEL COMMITTEE

This Committee, chaired by Mr John Crosby and comprising four other non-executive Governors and the Deputy Vice-Chancellor, meets at least three to four times a year to review the University personnel policies.

### REMUNERATION COMMITTEE

This Committee, chaired by Sir Alan Thomas and comprising three other non-executive Governors and the Vice-Chancellor, meets when appropriate to review the salaries, terms and conditions of employment of senior staff. The Vice-Chancellor withdraws from the Committee when his own remuneration is under review and this is formally recorded.

### NOMINATIONS COMMITTEE

This Committee, chaired by Sir Alan Thomas and comprising three other non-executive Governors and the Vice-Chancellor and an academic staff Governor, meets at least twice a year to make recommendations on the appointment of new Governors in accordance with procedures devised by the Committee and approved by the Court. It is responsible for the procedures for nominating individuals for the award of Honorary Degrees and Fellowships of the University, for considering nominations and making recommendations to the Court.

## UNIVERSITY OF WESTMINSTER

### STATEMENT OF GOVERNORS' RESPONSIBILITIES

The governors, who are the directors and members of the Company, are required by the Companies Act to prepare consolidated financial statements for each financial year which give a true and fair view of the state of affairs of the University and its subsidiaries as at the end of the financial year and of the surplus or deficit for that period. It is also the governors' responsibility to maintain adequate accounting records, safeguard the assets of the University and its subsidiaries, prevent and detect fraud and other irregularities and to apply the going concern basis unless it is not appropriate to presume that the University will continue in business.

The governors confirm that suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates have been used in the preparation of the consolidated financial statements and that applicable accounting standards have been followed.

The governors have taken reasonable steps to:

- ensure that funds from the Higher Education Funding Council for England are used only for the purposes for which they have been given and in accordance with the Financial Memorandum with the Funding Council and any other conditions which the Funding Council 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 prevent and detect fraud;
- secure the economical, efficient and effective management of the University's resources and expenditure.

The key elements of the University's system of internal financial control, which is designed to discharge the responsibilities set out above, include the following:

- clear definitions of the responsibilities of, and the authority delegated to, heads of academic and administrative departments;
- a comprehensive medium and short term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- regular reviews of academic performance and monthly reviews of financial results involving variance reporting and updates of forecast outturns;

## UNIVERSITY OF WESTMINSTER

- clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the Court of Governors, and
- a professional Internal Audit team whose annual programme is approved by the Audit Committee.

Any system of internal control can, however, only provide reasonable, but not absolute, assurance against material misstatement or loss.

During the year, the Audit Committee, on behalf of the Court of Governors, received reports on the effectiveness of the University's system of internal control.



## INDEPENDENT AUDITORS' REPORT TO THE COURT OF GOVERNORS OF THE UNIVERSITY OF WESTMINSTER

We have audited the financial statements of the University of Westminster for the year ended 31 July 2002 which comprise the consolidated income and expenditure account, the consolidated balance sheet, the University balance sheet, the consolidated cash flow statement, the statement of consolidated total recognised gains and losses, the note of consolidated historical cost surpluses and deficits and the related notes 1 to 33.

### Respective responsibilities of the Court of Governors and the auditors

As described in the statement of governors' responsibilities, the Court of Governors is responsible for the preparation of financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities as independent auditors, are established by statute, the Audit Practices Board, the Higher Education Funding Council for England and by 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 for Further and Higher Education. We also report whether, in all material respects, income from funding bodies, grants and income for specific purposes and from other restricted funds administered by the University of Westminster 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.

We also report to you if, in our opinion, the report of the Court of Governors 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 report of the Court of Governors, including the corporate governance statement, and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

### Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 Court of Governors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the University of Westminster and the group, consistently applied and adequately disclosed.

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### Basis of audit opinion (continued)

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 as to whether 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:

- a) the financial statements give a true and fair view of the state of affairs of the University and the group as at 31 July 2002 and of its surplus and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985 and taking into account the Statement of Recommended Practice on Accounting in Further and Higher Education;
- b) in all material respects, income from the Higher Education Funding Council for England, 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; and
- c) income, in all material respects, has been applied in accordance with the University's statutes and where appropriate with the financial memorandum dated August 2000 with the Higher Education Funding Council for England.

Deloitte & Touche  
Chartered Accountants and Registered Auditors  
St Albans

December 2002

## UNIVERSITY OF WESTMINSTER

## CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 July 2002

		2002	2001
	Note	£'000	£'000
<b>INCOME FROM CONTINUING ACTIVITIES</b>			
Funding council grants	5	48,964	46,904
Academic fees and support grants	6	35,372	32,030
Research grants and contracts	7	4,175	4,292
Other operating income	8	13,167	10,589
Interest receivable		1,147	1,240
<b>Total income</b>		<b>102,825</b>	<b>95,055</b>
<b>EXPENDITURE ON CONTINUING ACTIVITIES</b>			
Staff costs	9,12	54,933	50,158
Depreciation	11	2,624	2,658
Other operating expenses	9	40,927	38,046
Interest payable	10	2,418	2,487
<b>Total expenditure</b>		<b>100,902</b>	<b>93,349</b>
<b>Surplus for the financial year</b>	15	<b>1,923</b>	<b>1,706</b>

## UNIVERSITY OF WESTMINSTER

## NOTE OF CONSOLIDATED HISTORICAL COST SURPLUSES AND DEFICITS

For the year ended 31 July 2002

	2002	2001
	£'000	£'000
Surplus for the financial year	1,923	1,706
Difference between historical cost depreciation and the actual depreciation charge for the year calculated on the revalued amount	569	569
<b>Historical cost surplus</b>	<b>2,492</b>	<b>2,275</b>

## STATEMENT OF CONSOLIDATED TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 31 July 2002

	2002	2001
	£'000	£'000
Surplus for the financial year	1,923	1,706
Prior year adjustment	-	(249)
<b>Total recognised gains for the year</b>	<b>1,923</b>	<b>1,457</b>

## UNIVERSITY OF WESTMINSTER

CONSOLIDATED BALANCE SHEET  
As at 31 July 2002

		2002		2001 restated	
	Note	£'000	£'000	£'000	£'000
<b>Fixed Assets</b>					
Tangible assets	17	82,036		80,913	
Investments	18	<u>37</u>		<u>37</u>	
			82,073		80,950
<b>Current Assets</b>					
Stocks	19	64		77	
Debtors due within one year	20	5,734		5,346	
Debtors due after more than one year	20	-		2,777	
Investments	21	28,143		15,634	
Cash at bank and in hand		<u>833</u>		<u>2,313</u>	
		34,774		26,147	
<b>Creditors</b>					
Amounts falling due within one year	22	<u>(27,134)</u>		<u>(19,555)</u>	
<b>Net Current Assets</b>			<u>7,640</u>		<u>6,592</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			89,713		87,542
<b>Creditors</b>					
Amounts falling due after more than one year	22		<u>(28,166)</u>		<u>(28,191)</u>
<b>TOTAL NET ASSETS</b>			<u><u>61,547</u></u>		<u><u>59,351</u></u>
<b>Represented by:</b>					
Deferred capital grants	24		11,531		11,462
<b>Reserves</b>					
Revaluation reserve	26	22,856		23,221	
Specific reserve	26	1,661		1,763	
Revenue reserve	26	<u>25,499</u>		<u>22,905</u>	
			50,016		47,889
<b>TOTAL FUNDS</b>			<u><u>61,547</u></u>		<u><u>59,351</u></u>

Approved by the Court of Governors on 9 December 2002 and signed on its behalf by:

Sir Alan Thomas  
ChairmanDr Geoffrey M Copland  
Vice-Chancellor and Rector

## UNIVERSITY OF WESTMINSTER

UNIVERSITY BALANCE SHEET  
As at 31 July 2002

		2002		2001 restated	
	Note	£'000	£'000	£'000	£'000
<b>Fixed Assets</b>					
Tangible assets	17	49,427		47,547	
Investments	18	<u>20,209</u>		<u>20,209</u>	
			69,636		67,756
<b>Current Assets</b>					
Debtors due within one year	20	6,227		5,400	
Debtors due after more than one year	20	1,984		4,982	
Investments	21	28,143		15,633	
Cash at hand and in bank		<u>768</u>		<u>2,292</u>	
		37,122		28,307	
<b>Creditors</b>					
Amounts falling due within one year	22	<u>(27,071)</u>		<u>(19,092)</u>	
<b>Net Current Assets</b>			<u>10,051</u>		<u>9,215</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			79,687		76,971
<b>Creditors</b>					
Amounts falling due after more than one year	22		<u>(28,407)</u>		<u>(27,901)</u>
<b>TOTAL NET ASSETS</b>			<u><u>51,280</u></u>		<u><u>49,070</u></u>
<b>Represented by:</b>					
Deferred capital grants	24		9,196		9,073
<b>Reserves</b>					
Revaluation reserve	26	18,258		18,502	
Specific reserve	26	785		909	
Revenue reserve	26	<u>23,041</u>		<u>20,586</u>	
			42,084		39,997
<b>TOTAL FUNDS</b>			<u><u>51,280</u></u>		<u><u>49,070</u></u>

Approved by the Court of Governors on 9 December 2002 and signed on its behalf by:

Sir Alan Thomas  
ChairmanDr Geoffrey M Copland  
Vice-Chancellor and Rector

## UNIVERSITY OF WESTMINSTER

## CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 July 2002

		2002	2001 restated
	Note	£'000	£'000
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	29	<b>16,415</b>	<b>10,633</b>
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			
Interest received		1,147	1,240
Interest paid		(2,413)	(2,402)
Interest element of finance lease payments		(5)	(85)
<b>Net cash outflow from returns on investments and servicing of finance</b>		<b>(1,271)</b>	<b>(1,247)</b>
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>			
Purchase of tangible fixed assets		(5,342)	(5,140)
Receipts from sale of assets		920	-
Deferred capital grants received		391	2,601
<b>Net cash outflow from capital expenditure and financial investment</b>		<b>(4,031)</b>	<b>(2,539)</b>
<b>CASH INFLOW BEFORE MANAGEMENT OF LIQUID RESOURCES AND FINANCING</b>		<b>11,113</b>	<b>6,847</b>
<b>MANAGEMENT OF LIQUID RESOURCES</b>			
Cash transferred to short term deposits		(12,509)	(5,093)
<b>FINANCING</b>			
Capital element of finance lease repayments		-	(139)
Capital element of loan repayments		(210)	(213)
Loans acquired		126	159
<b>Net cash outflow from financing</b>		<b>(84)</b>	<b>(193)</b>
<b>(DECREASE)/INCREASE IN CASH</b>	30	<b>(1,480)</b>	<b>1,561</b>

## UNIVERSITY OF WESTMINSTER

## RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

		2002		2001 restated	
	Note	£'000	£'000	£'000	£'000
(Decrease)/increase in cash in period		(1,480)		1,561	
Cash inflow from movement in liquid resources		12,509		5,093	
Cash outflow from decrease in debt and lease financing		84		193	
<b>Change in net debt resulting from cash flows</b>			<b>11,113</b>		<b>6,847</b>
<b>Movement in net debt in the period</b>			<b>11,113</b>		<b>6,847</b>
Net debt at 1 August			(7,815)		(14,662)
<b>Net cash/(debt) at 31 July</b>	30		<b>3,298</b>		<b>(7,815)</b>

## UNIVERSITY OF WESTMINSTER

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2002

#### 1. COMPANY STATUS

The University of Westminster is incorporated under the Companies Act as a charity and company limited by guarantee and not having a share capital. The University is also an exempt charity.

Each of the twenty three members of the University has undertaken to contribute to the assets of the University in the event of its being wound up while he/she is a member, or within one year after he/she ceases to be a member, an amount not exceeding one pound.

#### 2. BASIS OF ACCOUNTING

- i) The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting in Further and Higher Education Institutions and applicable Accounting Standards.
- ii) The financial statements are intended to meet, as appropriate, the requirements of the Companies Act 1985.
- iii) The financial statements have been prepared under the historical cost basis as modified by the valuation of land and buildings and of assets transferred from the former Inner London Education Authority (ILEA) on 1 April 1989 and the London Borough of Harrow on 1 April 1990.

#### 3. BASIS OF CONSOLIDATION

The consolidated financial statements consolidate the financial statements of the University and its subsidiary undertakings for the financial year ended 31 July 2002.

The consolidated financial statements do not include those of the University of Westminster Students Union because the University does not control its activities.

#### 4. ACCOUNTING POLICIES

##### a. HEFCE Grants

Revenue grants are accounted for in the year in which they are receivable in accordance with advice given by HEFCE.

## UNIVERSITY OF WESTMINSTER

Revenue grants attributable to a subsequent financial year are included in creditors under the classification of deferred income.

Non-recurrent grants from HEFCE or other bodies received in respect of the acquisition of fixed assets are treated as deferred capital grants and amortised in line with depreciation over the life of the assets.

#### b. Tangible Assets

##### i) Land and Buildings

The Group has adopted FRS 15 "Tangible Fixed Assets" and has followed the transitional provisions to retain the book value of land and buildings. The freehold property in which the group has a beneficial interest was revalued at 31 July 1995. The basis of valuation was depreciated replacement cost for those properties intended for continuing use and open market value for those intended to be sold.

The group enjoys the occupation and facilities of certain land and buildings which are the property of a separate charitable trust. With the exception of rent payments and other running costs associated with these properties and leasehold improvements made to the properties at 309 Regent Street and 4-12 Little Titchfield Street, these assets are not reflected in the accounts.

##### ii) Plant and Machinery, Furniture, Fittings and Equipment

Individual assets costing over £10,000 are capitalised.

##### iii) Depreciation

Depreciation has been provided on all tangible fixed assets on cost or revalued amounts in equal instalments over the estimated lives of the assets:

Freehold buildings	fifty years
Leasehold buildings and leasehold improvements	amortised over the remaining term of the lease by equal instalments
Motor vehicles	four years
Furniture, fittings and equipment	five years
Plant and machinery	five years
Computers	three years

Freehold land and assets in the course of construction are not depreciated.

## UNIVERSITY OF WESTMINSTER

### c. Taxation Status

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) Income and Corporation Taxes Act (ICTA) 1988. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 505 of the ICTA 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.

The University receives no similar exemption in respect of Value Added Tax.

The University's subsidiary companies are subject to corporation tax and VAT on the same basis as any commercial organisation.

### d. Deferred Taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets and liabilities are not discounted.

### e. Pension Costs

The Group operates four pension schemes, the London Pensions Fund Authority (Local Government) Superannuation Scheme, the Teachers' Pension Scheme, the Universities Superannuation Scheme and the Superannuation Arrangements of the University of London. The Teachers' Pension Scheme is an unfunded, defined benefit scheme, the other three are all funded, defined benefit schemes and are contracted out of the State Earnings Related Pension Scheme. The financial position and income and expenditure of these funds are disclosed in their annual audited financial statements. The rate of employers' contributions is reviewed periodically on the basis of advice from independent actuaries, and contributions to the schemes are charged to the income and expenditure account so as to spread the cost of pensions over employees' working lives with the University in such a way that the pension cost is at a substantially constant percentage of present and future pensionable payroll.

### f. Foreign Currencies

Transactions denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at year end rates. Exchange differences are dealt with in the income and expenditure account for the financial year.

## UNIVERSITY OF WESTMINSTER

### g. Leases

Assets held under finance leases and hire purchase contracts are capitalised at their fair value on the inception of the leases and depreciated over their estimated useful lives. The finance charges are allocated over the period of the lease in proportion to the capital amount outstanding.

Rentals are charged to the income and expenditure account in equal amounts over the lease term.

### h. Stocks

Stocks are stated at the lower of cost and net realisable value.

### i. Current Asset Investments

Current asset investments are included in the balance sheet at market value at the balance sheet date.

### j. 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 listed equity investments held as part of the University's treasury management activities.

### k. Revaluation Reserve

The University is reimbursed by the HEFCE for payments of loan liabilities inherited from the local authorities. The reimbursement of the principal element is credited to the revaluation reserve.

### l. Specific Reserve

The University recognises the accumulated profits or losses arising on its research grants and contracts activity in a separate specific reserve.

### m. Interest Capitalisation

Interest is not capitalised in respect of assets in the course of construction.

## UNIVERSITY OF WESTMINSTER

## 5. FUNDING COUNCIL GRANTS

	Note	2002 £'000	2001 £'000
<b>a) Recurrent grant from HEFCE</b>			
Main allocation		42,630	41,363
Research		2,508	2,246
Select initiatives		1,399	465
Pension liabilities		417	415
Inherited liabilities (capital related):			
Premises rents		442	442
Debt charges		598	601
Capital project grants		648	971
		<u>48,642</u>	<u>46,503</u>
<b>(b) Release of HEFCE capital grants</b>	24	322	401
		<u>48,964</u>	<u>46,904</u>

## (c) HEFCE reimbursement of debt charges

Payments made during the year to the Royal Borough of Kensington and Chelsea and the London Borough of Harrow in respect of leases outstanding on assets transferred to the University were fully reimbursed by HEFCE during the year.

However, as a body funded by central government, the policy of HEFCE reimbursing the principal and interest element of debt charges can never be guaranteed beyond one financial year. The outstanding amount of the loan debt is included in creditors.

## 6. ACADEMIC FEES AND SUPPORT GRANTS

	2002 £'000	2001 £'000
Tuition fees for full, parttime and sandwich courses	25,469	22,745
Full cost courses	7,389	6,361
Short courses	2,514	2,924
	<u>35,372</u>	<u>32,030</u>

## UNIVERSITY OF WESTMINSTER

## 7. RESEARCH GRANTS AND CONTRACTS

	2002 £'000	2001 £'000
<b>Income</b>		
Government departments	1,974	2,057
Research councils	382	430
Other bodies	1,819	1,805
	<u>4,175</u>	<u>4,292</u>
<b>Expenditure</b>		
Staff costs	1,766	1,734
Other operating expenses	2,026	2,190
	<u>3,792</u>	<u>3,924</u>
<b>Surplus</b>	<u>383</u>	<u>368</u>

## 8. OTHER OPERATING INCOME

	2002 £'000	2001 £'000
Residences and catering	6,583	4,779
Recreation	334	287
Rents and lettings	2,329	2,224
Photocopier income	222	237
Sundry sales	381	548
Teaching companies	90	147
Miscellaneous	2,387	1,730
Donations	841	637
	<u>13,167</u>	<u>10,589</u>

## UNIVERSITY OF WESTMINSTER

## 9. EXPENDITURE BY ACTIVITY

	2002			2001		
	Staff Costs	Other Operating Expenses	Total	Staff Costs	Other Operating Expenses	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Academic departments	40,227	8,698	48,925	37,475	9,132	46,607
Academic support services	2,422	3,644	6,066	2,178	2,797	4,975
Research	1,766	2,026	3,792	1,734	2,190	3,924
Administration and central services	8,110	8,157	16,267	6,700	5,949	12,649
Premises	1,721	12,568	14,289	1,657	13,403	15,060
Residences and catering	627	5,803	6,430	318	4,519	4,837
Donations (see note 9a)	-	-	-	-	4	4
Other expenditure	60	31	91	96	52	148
	<u>54,933</u>	<u>40,927</u>	<u>95,860</u>	<u>50,158</u>	<u>38,046</u>	<u>88,204</u>

## 9a Donations

During the year the group made the following donations for charitable purposes:

	2002	2001
	£	£
The University of Westminster Prize and Scholarship Fund	-	4,000

## 10. INTEREST PAYABLE

	2002	2001
	£'000	£'000
Finance Leases	5	85
Bank and other loans repayable after more than five years	292	292
Inherited debt	598	601
Promissory note	1,523	1,509
	<u>2,418</u>	<u>2,487</u>

## UNIVERSITY OF WESTMINSTER

## 11. DEPRECIATION

	2002 £'000	2001 £'000
The depreciation charge has been funded by:		
Release of deferred capital grants	322	401
Release of revaluation reserve	569	569
General income	1,733	1,688
	<u>2,624</u>	<u>2,658</u>

## 12. INFORMATION REGARDING EMPLOYEES

	2002 £'000	2001 £'000
(a) Employee costs		
Wages and salaries	46,998	43,029
Social security costs	3,554	3,394
Other pension costs	3,196	2,795
Other staff related costs	1,185	940
	<u>54,933</u>	<u>50,158</u>

## (b) Average number of people employed by the group in the year

	No.	No.
Teaching and support staff	1,194	1,137
Part-time teachers	447	429
Premises and grounds staff	88	97
Administrative staff	332	310
	<u>2,061</u>	<u>1,973</u>

## (c) Remuneration of higher paid staff (excluding Governors)

	No.	No.
The following staff received remuneration of £50,000 or over		
£50,000 - £59,999	25	17
£60,000 - £69,999	9	7
£70,000 - £79,999	5	5
£80,000 - £89,999	1	-
	<u>40</u>	<u>29</u>



## UNIVERSITY OF WESTMINSTER

## 13. EMOLUMENTS OF GOVERNORS

	2002 £'000	2001 £'000
<b>(a) The emoluments of the governors of the University are:</b>		
In respect of service as governors	-	-
Other emoluments (including pension contributions on behalf of executive governors)	374	367
<b>(b) The emoluments of the chairman and executive governors are:</b>		
Chairman: Sir Alan Thomas	-	-
Highest paid governor: Dr G M Copland as Vice-Chancellor and Rector	133	128

The emoluments of the Vice-Chancellor and Rector are shown on the same basis as for higher paid staff, and include performance-related pay. The University's pension contributions to Teachers' Pension Agency are paid at the same rates as for other academic staff and amounted to £9,816 (2001: £8,440).

Four governors (2001: five) are members of the University's defined benefit pension scheme and accrued benefits during the year under that scheme.

## 14. TAXATION

## Factors affecting tax charge for the current period

The tax assessed for the period is higher than that resulting from applying the standard rate of corporation tax in the UK: 30% (last period 30%). The differences are explained below:

	2002 £'000	2001 £'000
Consolidated Profit	<u>1,923</u>	<u>1,706</u>
Tax at 30% thereon:	(577)	(512)
<b>Effects of:</b>		
- Expenses not deductible for tax purposes	(100)	(101)
- Capital allowances in excess of depreciation	146	208
- Utilisation of tax losses	2	(23)
- Movement in short timing differences	26	-
- Non-taxable profit	<u>503</u>	<u>428</u>
Current tax charge for the year	<u>-</u>	<u>-</u>

## UNIVERSITY OF WESTMINSTER

## 14. TAXATION (continued)

## Factors that may affect future tax charge

A deferred tax liability has not been recognised in respect of accelerated capital allowances as the liability is not expected to crystallise in the future. The amount of the liability not recognised is £857,725 (2001: £709,196).

## 15. SURPLUS FOR THE FINANCIAL YEAR BEFORE TRANSFERS FROM RESERVES

The surplus before transfers from reserves for the financial year is disclosed after charging:

	2002 £'000	2001 £'000
<b>Auditors remuneration:</b>		
audit fee University	27	24
Subsidiary Companies	17	16
other services	14	17
<b>Operating lease rentals:</b>		
property rents	6,345	4,832
<b>Depreciation:</b>		
owned assets	2,317	2,302
leased assets	307	356
<b>Profit on disposal of fixed assets</b>	-	-

## 16. SURPLUS OF PARENT COMPANY

As permitted by Section 230 of the Companies Act 1985, the income and expenditure account of the parent company is not presented as part of these accounts. The parent company's surplus for the financial year amounted to £1.883m (2001: £1.700m).

## UNIVERSITY OF WESTMINSTER

## 17. TANGIBLE ASSETS

## (a) The Group

Cost or valuation	Freehold land and buildings £'000	Leasehold improvements £'000	Assets in course of construction £'000	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Computers £'000	Motor vehicles £'000	Total £'000
At 1 August 2001	76,166	9,455	4,359	18,787	1,098	2,471	101	112,437
Additions	2	-	4,472	259	18	591	-	5,342
Transfers	4,368	-	(4,368)	-	-	-	-	-
Disposals	-	-	(1,595)	-	-	-	(5)	(1,600)
<b>At 31 July 2002</b>	<b>80,536</b>	<b>9,455</b>	<b>2,868</b>	<b>19,046</b>	<b>1,116</b>	<b>3,062</b>	<b>96</b>	<b>116,179</b>
<b>Accumulated depreciation</b>								
At 1 August 2001	8,862	1,250	-	18,090	1,029	2,211	82	31,524
Charge for the year	1,606	306	-	299	35	362	16	2,624
Disposals	-	-	-	-	-	-	(5)	(5)
<b>At 31 July 2002</b>	<b>10,468</b>	<b>1,556</b>	<b>-</b>	<b>18,389</b>	<b>1,064</b>	<b>2,573</b>	<b>93</b>	<b>34,143</b>
<b>Net book value at 31 July 2002</b>	<b>70,068</b>	<b>7,899</b>	<b>2,868</b>	<b>657</b>	<b>52</b>	<b>489</b>	<b>3</b>	<b>82,036</b>
<b>Net book value at 31 July 2001</b>	<b>67,304</b>	<b>8,205</b>	<b>4,359</b>	<b>697</b>	<b>69</b>	<b>260</b>	<b>19</b>	<b>80,913</b>

## UNIVERSITY OF WESTMINSTER

## 17. TANGIBLE ASSETS (continued)

## (b) The University

Cost or valuation	Freehold land and buildings £'000	Leasehold improvements £'000	Assets in course of construction £'000	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Computers £'000	Motor vehicles £'000	Total £'000
At 1 August 2001	37,507	9,455	4,359	18,787	1,098	2,471	101	73,778
Additions	2	-	4,472	259	18	591	-	5,342
Transfers	4,368	-	(4,368)	-	-	-	-	-
Disposals	-	-	(1,595)	-	-	-	(5)	(1,600)
<b>At 31 July 2002</b>	<b>41,877</b>	<b>9,455</b>	<b>2,868</b>	<b>19,046</b>	<b>1,116</b>	<b>3,062</b>	<b>96</b>	<b>77,520</b>
<b>Accumulated depreciation</b>								
At 1 August 2001	3,569	1,250	-	18,090	1,029	2,211	82	26,231
Charge for the year	849	306	-	299	35	362	16	1,867
Disposals	-	-	-	-	-	-	(5)	(5)
<b>At 31 July 2002</b>	<b>4,418</b>	<b>1,556</b>	<b>-</b>	<b>18,389</b>	<b>1,064</b>	<b>2,573</b>	<b>93</b>	<b>28,093</b>
<b>Net book value at 31 July 2002</b>	<b>37,459</b>	<b>7,899</b>	<b>2,868</b>	<b>657</b>	<b>52</b>	<b>489</b>	<b>3</b>	<b>49,427</b>
<b>Net book value at 31 July 2001</b>	<b>33,938</b>	<b>8,205</b>	<b>4,359</b>	<b>697</b>	<b>69</b>	<b>260</b>	<b>19</b>	<b>47,547</b>

## UNIVERSITY OF WESTMINSTER

## 17. TANGIBLE ASSETS (continued)

## (c) The Group and the University

	The Group		The University	
	2002 £'000	2001 £'000	2002 £'000	2001 £'000
(i) Analysis of land and buildings at cost or valuation:				
At cost	54,328	49,958	22,710	18,340
Revaluation increase	26,208	26,208	19,167	19,167
At valuation: 31 July 1995	<u>80,536</u>	<u>76,166</u>	<u>41,877</u>	<u>37,507</u>

Freehold properties were revalued at 31 July 1995 by Messrs Drivers Jonas & Co., Chartered Surveyors.

The transitional rules set out in FRS 15, Tangible Fixed Assets, have been applied on implementing FRS 15. Accordingly the book values at implementation have been retained.

	The Group		The University	
	2002 £'000	2001 £'000	2002 £'000	2001 £'000
(ii) If freehold land and buildings had not been revalued, they would have been included at the following amounts:				
Cost	54,328	49,958	22,710	18,340
Aggregate depreciation	(6,619)	(5,581)	(1,750)	(1,334)
Net book value	<u>47,709</u>	<u>44,377</u>	<u>20,960</u>	<u>17,006</u>

(iii) The value of freehold land and buildings includes £5.704 million in respect of land that is not depreciated (2001: £5.704 million).

## (d) Assets held under finance leases, capitalised and included in plant and machinery and fixtures and fittings:

	The Group and the University	
	2002 £'000	2001 £'000
Cost	-	1,953
Aggregate depreciation	-	(1,953)
Net book value	<u>-</u>	<u>-</u>

## UNIVERSITY OF WESTMINSTER

## 18. FIXED ASSET INVESTMENTS

	The Group		The University	
	2002 £'000	2001 £'000	2002 £'000	2001 £'000
Share in subsidiary undertakings:				
At 1 August & 31 July	-	-	20,172	20,172
Share in CVCP Properties plc:				
At 1 August & 31 July	37	37	37	37
Total fixed asset investments	<u>37</u>	<u>37</u>	<u>20,209</u>	<u>20,209</u>

(i) The holding in CVCP Properties plc represents an investment in 37,111 fully paid Ordinary £1 shares. It is an unquoted company.

(ii) The University holds one fully paid Ordinary £1 share in Klenzyme Ltd. It is an unquoted company.

(iii) The following companies were all held as investments by the University of Westminster on 31 July 2002. They are all subsidiary undertakings of the University and all companies operate in the UK.

	Voting rights %	Nature of Business
Uniwest (Finance) Ltd	100	Issue of Promissory Note
Uniwest (Investments) Ltd	100	Investment in Uniwest (Finance) Ltd
Uniwest (Property) Ltd	100	Leasing of properties
University of Westminster (Trading) Ltd	100	Research, vacation letting of halls of residence
Westminster Business Consultants Ltd	100	Business consultancy services
Polytechnic of Central London Ltd	100	Leasing of a property
Uniwest (Developments) Ltd	100	Property refurbishment
University of Westminster (International)	100	Education, research and training overseas
Policy Studies Institute	100	Research relating to political, economic and social science

With the exception of Uniwest ( Finance ) Ltd, all shareholdings are in the name of the University of Westminster. The University holds 100% of the issued ordinary share capital and 100% of the voting rights in these companies, all of which are registered in England and Wales and operate in the UK.

Uniwest (Investments) Ltd owns 100% of the issued ordinary share capital of Uniwest (Finance) Ltd and holds 100% of the voting rights in that company.

## UNIVERSITY OF WESTMINSTER

## 19. STOCKS

## The Group only

	2002 £'000	2001 £'000
Goods for resale	<u>64</u>	<u>77</u>

## 20. DEBTORS

	The Group		The University	
	2002 £'000	2001 restated £'000	2002 £'000	2001 restated £'000
<b>Amounts falling due within one year:</b>				
HEFCE	434	406	434	406
Trade and sundry debtors	1,518	1,645	1,048	1,037
Amounts owed by subsidiary companies	–	–	96	324
Other debtors	1,189	630	1,168	583
Loans	–	320	–	320
Prepayments and accrued income	2,593	2,345	3,481	2,730
	<u>5,734</u>	<u>5,346</u>	<u>6,227</u>	<u>5,400</u>
<b>Amounts falling after more than one year:</b>				
Amounts owed by subsidiary companies	–	–	1,984	2,206
Loans	–	2,777	–	2,776
	<u>–</u>	<u>2,777</u>	<u>1,984</u>	<u>4,982</u>
<b>Total debtors</b>	<u>5,734</u>	<u>8,123</u>	<u>8,211</u>	<u>10,382</u>

## UNIVERSITY OF WESTMINSTER

## 21. INVESTMENTS HELD AS CURRENT ASSETS

	The Group		The University	
	2002 £'000	restated 2001 £'000	2002 £'000	restated 2001 £'000
Short term deposits	28,141	15,632	28,141	15,632
Equities at valuation at 31 July	<u>2</u>	<u>2</u>	<u>2</u>	<u>1</u>
	<u>28,143</u>	<u>15,634</u>	<u>28,143</u>	<u>15,633</u>

Equities consist of the following:

On 31 May 1997, the University acquired 200 fully paid ordinary 20 pence shares in Halifax plc. Following a return of capital and restructuring in the year ended 31 July 2001 the University held 185 shares in Halifax Group plc with a market value of £1,420. During the current year the Halifax merged with the Bank of Scotland to form HBOS plc. The University receives shares in lieu of dividends and as at 31 July 2002 held 189 shares in HBOS plc with a market value of £1,361.

The group also holds £494 of 12% Exchequer stock, the market value of which was £797 at 31 July 2002 (2001: £806).

## UNIVERSITY OF WESTMINSTER

## 22. CREDITORS

	The Group		The University	
		restated		restated
	2002 £'000	2001 £'000	2002 £'000	2001 £'000
<b>Amounts falling due within one year:</b>				
Trade creditors	4,135	3,948	4,117	3,889
Bank and other borrowings (see note 23)	400	406	400	406
Access funds (see note 25)	209	160	209	160
Taxation and social security	1,774	1,602	1,724	1,602
Provision for enhanced future pensions	185	201	185	201
Other creditors	10,716	7,191	10,619	6,925
Amounts due to subsidiary undertakings	-	-	1,727	522
Accruals and deferred income	9,715	6,047	8,090	5,387
	<u>27,134</u>	<u>19,555</u>	<u>27,071</u>	<u>19,092</u>
<b>Amounts falling due between one and two years:</b>				
Bank and other borrowings (see note 23)	239	233	239	233
Provision for enhanced future pensions	185	201	185	201
	<u>424</u>	<u>434</u>	<u>424</u>	<u>434</u>
<b>Amounts falling due between two and five years:</b>				
Bank and other borrowings (see note 23)	887	694	691	694
Provision for enhanced future pensions	556	602	556	602
	<u>1,443</u>	<u>1,296</u>	<u>1,247</u>	<u>1,296</u>
<b>Amounts falling due over five years:</b>				
Bank and other borrowings (see note 23)	24,152	24,429	8,308	8,515
Provision for enhanced future pensions	2,147	2,032	2,148	2,032
Amounts due to subsidiary undertakings	-	-	16,280	15,624
	<u>26,299</u>	<u>26,461</u>	<u>26,736</u>	<u>26,171</u>
<b>Total creditors</b>	<u>55,300</u>	<u>47,746</u>	<u>55,478</u>	<u>46,993</u>

## UNIVERSITY OF WESTMINSTER

## 23. BANK AND OTHER BORROWINGS

	The Group		The University	
	2002 £'000	2001 £'000	2002 £'000	2001 £'000
<b>Bank and other borrowings due within one year or on demand:</b>				
Other unsecured loans	400	406	400	406
	<u>400</u>	<u>406</u>	<u>400</u>	<u>406</u>
<b>Other borrowings due between one and two years:</b>				
Other unsecured loans	239	233	239	233
	<u>239</u>	<u>233</u>	<u>239</u>	<u>233</u>
<b>Other borrowings due between two and five years:</b>				
Other unsecured loans	691	694	691	694
Promissory note	196	-	-	-
	<u>887</u>	<u>694</u>	<u>691</u>	<u>694</u>
<b>Bank and other borrowings due after more than five years:</b>				
Bank loans - secured	2,835	2,835	2,835	2,835
	<u>2,835</u>	<u>2,835</u>	<u>2,835</u>	<u>2,835</u>
Other unsecured loans	5,473	5,680	5,473	5,680
Promissory note	15,844	15,914	-	-
	<u>24,152</u>	<u>24,429</u>	<u>8,308</u>	<u>8,515</u>

All Local Authority loans are unsecured and are repayable by instalments over various periods up to a maximum of 30 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.

Bank loans are secured over University land and buildings and are under various facilities expiring between 2018 and 2020, interest rates vary between 7.54% to 10.28%.

The interest rate on the promissory note is 9.54%. The loan is secured on University land and buildings, and is due to be repaid by 2021.

## UNIVERSITY OF WESTMINSTER

## 24. DEFERRED CAPITAL GRANTS

	The Group		The University	
	2002	2001	2002	2001
	£'000	£'000	£'000	£'000
Balance at 1 August	11,462	9,262	9,073	6,819
HEFCE grant received	391	2,601	391	2,601
	11,853	11,863	9,464	9,420
Release of HEFCE grant	(322)	(401)	(268)	(347)
<b>Balance at 31 July</b>	<b>11,531</b>	<b>11,462</b>	<b>9,196</b>	<b>9,073</b>
Amounts falling due within one year	322	312	268	258
Amounts falling due between one and two years	322	312	268	258
Amounts falling due between two and five years	966	936	803	773
Amounts falling due over five years	9,921	9,902	7,857	7,784
<b>Total</b>	<b>11,531</b>	<b>11,462</b>	<b>9,196</b>	<b>9,073</b>

## 25. ACCESS FUNDS FOR STUDENTS

The University received and distributed HEFCE access funds as follows:

	2002	2001
	£'000	£'000
At 1 August	160	96
Received	1,188	1,122
Interest accrued	18	23
Distributed	(1,157)	(1,081)
<b>At 31 July</b>	<b>209</b>	<b>160</b>

The University acts only as a paying agent. The grants and related disbursements are, therefore, excluded from the income and expenditure account. The outstanding balance at the year end is included in creditors (see note 22).

## UNIVERSITY OF WESTMINSTER

## 26. RECONCILIATION OF MOVEMENTS ON RESERVES

## (a) The Group

	Revaluation Reserve	Specific Reserve	Revenue Reserve	Total Reserves
	£'000	£'000	£'000	£'000
Balance at 1 August 2001	23,221	1,763	22,905	47,889
Surplus for the year	-	-	1,923	1,923
Reimbursement of capital element of debt inherited from local authority	204	-	-	204
Transfer to/(from) reserves	(569)	(102)	671	-
<b>Balance at 31 July 2002</b>	<b>22,856</b>	<b>1,661</b>	<b>25,499</b>	<b>50,016</b>

## (b) The University

	Revaluation Reserve	Specific Reserve	Revenue Reserve	Total Reserves
	£'000	£'000	£'000	£'000
Balance at 1 August 2001	18,502	909	20,586	39,997
Surplus for the year	-	-	1,883	1,883
Reimbursement of capital element of debt inherited from local authority	204	-	-	204
Transfer to/(from) reserves	(448)	(124)	572	-
<b>Balance at 31 July 2002</b>	<b>18,258</b>	<b>785</b>	<b>23,041</b>	<b>42,084</b>

## UNIVERSITY OF WESTMINSTER

## 27. FINANCIAL COMMITMENTS

## (a) Operating leases

At 31 July the Group had commitments during the next financial year in respect of operating leases:

	Land and Buildings 2002 £'000	Land and Buildings 2001 £'000
Leases which expire:		
Between 2 and 5 years	450	-
After 5 years	6,130	4,843
	<u>6,580</u>	<u>4,843</u>

## 28. CAPITAL COMMITMENTS

Capital expenditure authorised and contracted for but not provided in the accounts amounts to £1.714 million for the Group and University (2001: £3.552 million).

The University intends to redevelop the New Cavendish Street site. An integral part of this redevelopment is the disposal, by way of demolition, of the Clipstone Street freehold buildings and their replacement with larger purpose built buildings for the use of the University. Once the redevelopment proceeds, it will result in an exceptional loss on the disposal of fixed assets being recognised in the University's accounts. The exceptional loss will comprise the net book value of the buildings as at 31 July 2002 (£1.953 million) plus associated demolition costs. As at 31 July 2002 the University is not committed or contracted to the demolition.

## UNIVERSITY OF WESTMINSTER

## 29. CASHFLOW FROM OPERATING ACTIVITIES

	2002 £'000	2001 restated £'000
Surplus from Operating Activities	1,923	1,706
Depreciation	2,624	2,658
Deferred capital grants released to income	(322)	(401)
Investment income	(1,147)	(1,240)
Interest payable	2,418	2,487
Decrease/(increase) in debtors	3,064	(262)
Increase in creditors	7,638	5,466
Decrease in stocks	13	20
Capital reimbursement transferred to reserves	204	199
<b>Net Cash Inflow from Operating Activities</b>	<u>16,415</u>	<u>10,633</u>

## 30. ANALYSIS OF CHANGES IN NET DEBT

	At 1 August 2001 restated £'000	Cash Flows £'000	Other Changes £'000	At 31 July 2002 £'000
Cash at bank and in hand	1,729	(896)	-	833
Overnight deposits	584	(584)	-	-
	<u>2,313</u>	<u>(1,480)</u>	<u>-</u>	<u>833</u>
<b>Liquid Resources:</b>				
Current asset investment	2	-	-	2
Short term deposits	15,632	12,509	-	28,141
	<u>15,634</u>	<u>12,509</u>	<u>-</u>	<u>28,143</u>
<b>Debt:</b>				
Loans due within one year	(406)	406	(400)	(400)
Loans due after more than one year	(25,356)	(322)	400	(25,278)
	<u>(25,762)</u>	<u>84</u>	<u>-</u>	<u>(25,678)</u>
<b>Net (debt)/cash</b>	<u>(7,815)</u>	<u>11,113</u>	<u>-</u>	<u>3,298</u>

## UNIVERSITY OF WESTMINSTER

## 31. PENSION COSTS

The Group operates four pension schemes of the defined benefit type. Three of which are funded and one, the Teachers' Pension Scheme, which is unfunded. The assets of the schemes are held separately from the assets of the Group, in independently administered funds. Details of the four Group pension schemes are as follows:

**Teachers' Pension Scheme (England and Wales)**

Pension costs in respect of the University's employees are charged to the Income and Expenditure Account as they become payable.

The fund is administered by the Teacher's Pension Agency. The scheme is subject to an actuarial review not less than every five years. The last published actuarial valuation on the Teachers' Pension Scheme (England and Wales) was performed by the Government Actuary on 31 March 1996 and covered the period 1 April 1991 to 31 March 1996. The latest valuation, which covers the period 1 April 1996 to 31 March 2001, is due for publication later this year.

Subsequent to a valuation of the fund by the Government Actuary as at 31 March 1996 it was determined that the employer's contribution would be 7.4%. From the 1 April 2002 this increased to 8.35%. The following actuarial assumptions were applied.

Investment returns	8.5% per annum
Salary growth	6.5% per annum
Price inflation	5.0% per annum

In the year ending 31 July 2002 contributions by the Group to the scheme were £1,752,039. (31 July 2001: £1,570,902)

**London Pensions Fund Authority**

This defined benefit scheme is subject to a triennial valuation by independent actuaries. The last full actuarial valuation was carried out on the 31 March 2001 using the projected unit credit method, in which the actuarial liability makes allowance for projected earnings.

The valuation used for FRS 17 disclosures has been based on the most recent actuarial valuation at 31 March 2001 and updated by Hymans Robertson to take account of the requirements of FRS 17 in order to assess the liabilities of the scheme as at 31 July 2002.

The financial assumptions used by the actuary for the funding valuation under FRS 17 as at 31 July 2002 were:

Assumptions as at:	31 July 02 % per annum	31 July 01 % per annum
Price increases	2.4	2.5
Salary increases	3.9	4.0
Pension increases	2.4	2.5
Discount rate	6.0	5.7

## UNIVERSITY OF WESTMINSTER

## 31. PENSION COSTS (continued)

The assets in the scheme and the expected rate of return were:

Assets (whole fund)	Long term return % per annum	Fund value at 31 July 2002 £'000	Expected return £'000 per annum
Equities	8.0	983,200	78,656
Bonds	5.5	182,580	10,042
Property	6.0	-	-
Cash	4.0	17,000	680
<b>Total</b>	<b>7.6</b>	<b>1,182,780</b>	<b>89,378</b>

The University's net pension assets were as follows:

	31 July 2002 £'000	31 July 2001 £'000
Net pension assets as at		
Estimated asset share (a)	36,158	42,818
Present value of scheme liabilities	(46,681)	(46,488)
Present value of unfunded liabilities	(1,561)	(1,622)
Total value of liabilities (b)	(48,242)	(48,110)
<b>Deficit in the scheme - net pension liability (a) - (b)</b>	<b>(12,084)</b>	<b>(5,292)</b>

If the above had been recognised in the financial statements, the University's net assets and profit and loss reserves at 31 July 2002 would be as follows:

	31 July 2002 £'000	31 July 2001 £'000
Net assets excluding pension liability	61,547	59,351
Pension liability	(12,084)	(5,292)
Net assets including pension liability	49,463	54,059
	31 July 2002 £'000	31 July 2001 £'000
Profit and loss reserve excluding pension liability	25,499	22,905
Pension reserve	(12,084)	(5,292)
Profit and loss reserve including pension liability	13,415	17,613

Additionally, if pension costs had been recognised in accordance with FRS17, the following components of the pension charge would have been recognised in the income and expenditure accounts and statement of recognised gains and losses for the year ended 31 July 2002:



## UNIVERSITY OF WESTMINSTER

## 31. PENSION COSTS (continued)

Analysis of amounts charged to income and expenditure account:	2002 £'000
Current service cost	1,744
Past service cost	130
Financing:	
- expected return on pension assets	2,456
- interest on pension scheme liabilities	(2,684)
Net return	(228)
Analysis of amount recognised in Statement of Total Recognised Gains and Losses (STRGL):	2002 £'000
Actual return less expected return on pension scheme assets	(9,643)
Experience gains and losses arising on the scheme liabilities	(817)
Changes in assumptions underlying the present value of the scheme liabilities	4,553
Total actuarial gain/(loss) recognised	(5,907)

The total movement in the University's share of the scheme's deficit during the year is made up as follows:

Movement in deficit during the year:	2002 £'000
Deficit at beginning of the year	(5,292)
Current service cost	(1,744)
University contributions	1,217
Past service cost	(130)
Net return on assets	(228)
Actuarial losses	(5,907)
Deficit on the scheme at 31 July 2002	(12,084)

The Group pays contributions to the Fund at rates determined by the Fund's actuaries based on regular actuarial reviews of the financial position of the Fund. Prior to 1 April 1990, the Fund was liable only for non-increasing pensions with increases to these pensions being recharged separately to the participating employers on an annual basis.

Subsequent amending regulations have transferred to the Fund liability for pension increase payments falling after 1 April 1990 but only 75% of the overall liabilities were to be funded. From 1 April 1993, 100% of the liabilities have to be funded. Employer's contribution rates will in future reflect this new liability and funding requirement.

## UNIVERSITY OF WESTMINSTER

## 31. PENSION COSTS (continued)

In accordance with the Local Government Superannuation Regulations, an actuarial valuation was carried out on 31 March 2001 with the employer's contribution increased from 9.00% to 9.90% with effect from 1 April 2002.

The experience gains and losses for the year ended 31 July 2002 were as follows:

	2002 £'000
Difference between the expected and actual return on scheme assets	(9,643)
Value of assets	36,158
Percentage of assets	(26.7%)
Experience losses on liabilities	(817)
Present value of liabilities	(46,681)
Percentage of the present value of liabilities	(1.8%)
Actuarial loss recognised in the STRGL	(5,907)
Percentage of the present value of liabilities	(12.7%)

In the year ending 31 July 2002, contributions by the Group to the scheme were £1,319,436 (2001: £1,090,487).

## Superannuation Arrangements of the University of London

The University of Westminster participates in a centralised defined benefit scheme for all qualified employees with the assets held in separate Trustee-administered funds. The University has now adopted FRS17 for accounting for pension costs. It is not possible to identify the University's share of the underlying assets and liabilities of SAUL. Therefore contributions are accounted for as if SAUL were a defined contribution scheme and pension costs are based on the amounts actually paid (i.e. cash amounts) in accordance with paragraphs 8-12 of FRS17. In the year ending 31 July 2002, contributions by the Group to the scheme were £3,991. (2001:£4,078)

The scheme is subject to triennial valuation by professionally qualified and independent actuaries. The last available valuation was carried out on 31 March 1999 using the projected unit credit method, in which the actuarial liability makes allowance for projected earnings. The following assumptions were used to assess the past service funding position:-

Investment return	4.5 - 5.3%	per annum
General level of salary growth	4.1%	per annum*
Pension increases	2.6%	per annum

\* excluding an allowance for promotional increases.

## UNIVERSITY OF WESTMINSTER

## 31. PENSION COSTS (continued)

The actuarial valuation applies to the scheme as a whole and does not identify surpluses or deficits applicable to individual employers. As a whole, the market value of the scheme's assets was £846.6 million representing 120% of the liability for benefits after allowing for expected future increases in salaries.

In relation to future service liabilities it was assumed that real investment return above prices were 4% per annum and real salary increases above prices of 1.5% per annum. The contribution rate required for future service benefits alone at the date of the valuation was 14.4% of salaries per annum.

Employers who have recently joined SAUL ("New Employers") and certain employee groups (as agreed by the Trustee of SAUL), pay 14.4% of salaries per annum until the second actuarial valuation after entry (or some other period as agreed with the Trustee). The past service surplus allows all other employers to pay contributions at the rate of 10.5% of pensionable salaries per annum.

The next formal actuarial valuation was performed on 31 March 2002 and is due for publication in late 2002.

## Universities Superannuation Scheme

The institution participates in the Universities Superannuation Scheme, a defined benefit scheme which is externally funded and contracted out of the State Earnings-Related Pension Scheme. The assets of the scheme are held in a separate trustee-administered fund. It is not possible to identify each institution's share of the underlying assets and liabilities of the scheme and hence contributions to the scheme are accounted for as if it were a defined contribution scheme. The cost recognised within the surplus for the year in the income and expenditure account being equal to the contributions payable to the scheme for the year.

The latest actuarial valuation of the scheme was at 31 March 1999. The assumptions which have the most significant effect on the result of the valuation are those relating to the rate of return on investments (i.e. the valuation rate of interest) and the rates of increase in salary and pensions. In relation to the past service liabilities the financial assumptions were derived from market yields prevailing at the valuation date. It was assumed that the valuation rate of interest would be 4.5% per annum, salary increases would be 3.6% per annum and pensions would increase by 2.6% per annum. In relation to the future service liabilities it was assumed that the valuation rate of interest would be 5.5% per annum, including an additional investment return assumption of 1% per annum, salary increases would be 3.5% per annum and pensions would increase by 2.5% per annum. The valuation was carried out using the projected unit method.

At the valuation date, the market value of the assets of the scheme was £18,870 million (including an estimated £55 million in respect of outstanding bulk transfer payments due) and the value of the past service liabilities was £17,427 million leaving a surplus of assets of

## UNIVERSITY OF WESTMINSTER

## 31. PENSION COSTS (continued)

£1,443 million. The assets therefore were sufficient to cover 108% of the benefits which had accrued to members after allowing for expected future increases in earnings.

The institution contribution rate required for future service benefits alone at the date of the valuation was 16.3% of salaries but it was agreed that the institution contribution rate will be maintained at 14% of salaries. To fund this reduction of 2.3% for the period of 11 years from the date of the valuation (the average outstanding working lifetime of the current members of the scheme) required the use of £561 million of the surplus. It was also agreed, following the valuation, that £201 million of the surplus would be used to fund certain benefit improvements. This left a past service surplus of £681 million (including the Supplementary Section) to be carried forward.

Surpluses or deficits which arise at future valuations may impact on the institution's future contribution commitment. The next formal actuarial valuation was performed at 31 March 2002 and is due for publication in late 2002.

The total pension cost for the institution was £139,332 (2001: £123,217). The contribution rate payable by the institution was 14% of pensionable salaries.

## 32. RELATED PARTY TRANSACTIONS

Four separate charitable trusts are established primarily for the benefit of the students of the University of Westminster. Two of the six Trustees of these trusts are also governors of the University.

The Trusts are: Quintin Hogg Trust, The Regent Street Polytechnic Trust, The Quintin Hogg Memorial Fund and the University of Westminster Prize and Scholarship Fund. The Trusts are individually registered charities.

The material transactions that have taken place during the financial year and the balances at the year end are as follows:

	2002 £'000	2001 £'000
Quintin Hogg Trust		
Rent payable to Trust – academic buildings	(2,558)	(2,546)
Rent payable to Trust – halls of residence	(1,506)	(843)
Donations received by University	798	581
Amounts owed to related party:		
– short term deposits invested on behalf of Trust	(6,492)	(4,894)
– other amounts	567	204
Disclosed as other creditors in the accounts	<u>(5,925)</u>	<u>(4,690)</u>

## UNIVERSITY OF WESTMINSTER

## 32. RELATED PARTY TRANSACTIONS (continued)

	2002 £'000	2001 £'000
The Regent Street Polytechnic Trust		
Scholarships paid by Trust to University students	12	112
Interest paid to University on loan	308	300
Amounts owed by related party: - loan	-	3,097
Amounts owed by related party:		
- other amounts	-	710
- short term deposits invested on behalf of Trust	-	(637)
Disclosed as other debtors in the accounts	-	73
Amounts owed to related party:		
- short term deposits invested on behalf of Trust	(3,492)	-
- other amounts	1,154	-
Disclosed as other creditors in the accounts	(2,338)	-
The Quintin Hogg Memorial Fund		
Purchase of Chiswick development from University, at cost	1,595	-
Amounts owed by related party:		
- balance of disposal proceeds	675	-
- other amounts	7	1
Disclosed as other debtors in the accounts	682	1
The University of Westminster Prize and Scholarship Fund		
Amounts owed to related party:		
- short term deposits invested on behalf of Fund	(1,152)	(1,101)
- other amounts	(8)	-
Disclosed as other creditors in the accounts	(1,160)	(1,101)

Due to the nature of the University's operations and the composition of the Court of Governors (being drawn from both public and private sector organisations) it is inevitable that transactions will take place with organisations in which a member of the Court of Governors may have an interest. All transactions involving organisations in which a member of the Court of Governors may have an interest are conducted at arm's length and in accordance with the University's financial regulations and normal procurement procedures. There were no material transactions in the year.

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## 33. PRIOR YEAR ADJUSTMENT

A prior year adjustment has been made to the accounts to reflect Trust monies moved to a University bank account and invested on behalf of the Trusts. The interest earned on the invested monies is returned to the Trusts.

The book entries have subsequently been adjusted and the University's 2001 figures have been restated to reflect this adjustment.

As a result of these changes the comparatives have been restated as follows:

## a) University balance sheet

	Debtors Within one year £'000	Investments £'000	Creditors Within one year £'000
2001 as previously reported	6,241	9,001	(13,301)
Adjusting entry	(841)	6,632	(5,791)
2001 restated	5,400	15,633	(19,092)

## b) Consolidated balance sheet

	Debtors Within one year £'000	Investments £'000	Creditors Within one year £'000
2001 as previously reported	6,187	9,002	(13,764)
Adjusting entry	(841)	6,632	(5,791)
2001 restated	5,346	15,634	(19,555)

