

UNIVERSITY OF WESTMINSTER

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 July 2004

Chairman's Statement	2
Vice-Chancellor's Report	3 – 4
Mission Statement	5
General Information	6
Court of Governors	7 – 9
The Work of the Court of Governors	10 – 12
Corporate Governance Statement	13 – 14
Statement of Governors' Responsibilities	15 – 16
Independent Auditors' Report	17 – 18
Consolidated Income and Expenditure Account	19
Note of Historical Cost Surpluses and Deficits	20
Statement of Consolidated Total Recognised Gains and Losses	21
Consolidated Balance Sheet	22
University Balance Sheet	23
Consolidated Cash Flow Statement	24 – 25
Accounting Policies and Notes to the Financial Statements	26 – 57

UNIVERSITY OF WESTMINSTER

CHAIRMAN'S STATEMENT

On behalf of the Court of Governors and Board of Directors, I am pleased to report another very successful year for the University. It has been an important time for Higher Education sector and there is still much change in prospect. The University is well prepared and is working vigorously to develop its strategy for the new variable fee system to be introduced in the 2006 academic year. Continuously improving the student experience will be at the heart of this strategy, as will keeping our academic courses distinctive, fresh and competitive. As to student access, we believe that our policies and track record since our foundation in 1838 more than meet Government's objectives. We welcome the increased independence in prospect.

Against a background of much uncertainty, the University has again met its targets notably for student recruitment, for widening participation for under-represented groups, and for meeting its rigorous standards in teaching quality. New collaborative ventures, both in London and abroad, have grown in size and importance. A 'topping out' ceremony at the Cavendish Campus in May marked the successful culmination of the University's £100m ten-year estate programme. The year was capped by a visit from our patron, Her Majesty The Queen, to celebrate the Queen's Award for Enterprise in recognition of the University's international work.

These achievements have been made in the context of demanding circumstances in which the University has produced strong financial results. It's historical cost surplus for the year was £4.07m, [2003: £2.96m], on total income of £124.5m, [2003: £114.3m]. Though there is still £25m of long-term debt following the completion of the £100m estate programme, the University balance sheet is strong. Short term deposits of £6m were utilised, as planned, to help fund the substantial investment in the Cavendish Campus, but will be restored once the property disposals, following the completion of the first phase of the redevelopment, are concluded.

Three of our senior governors resigned during the year and we are very grateful to them for their much valued contribution. Their successors, the new Governors, have been quick to make their contribution and have brought new insights to the work of the Court. One of our two Deputy Vice-Chancellors, Professor Margaret Blunden, retired at the end of the academic year and I would like to express the Court's gratitude for her distinguished contribution.

This will be my last year as Chairman, and I should like to add a personal note. My association with the University goes back over two decades and it has been a happy and fulfilling time for me. I have enjoyed working alongside some remarkable people and have witnessed the results of shared endeavour. The University has a long and distinguished history and a future full of promise. I am very proud to have played a small part in its progress.

I should like to thank the Vice-Chancellor and all the University's staff for making possible the University's success and to express the confidence of all the Governors that the University will continue this success into the future.

Sir Alan Thomas

November 2004

UNIVERSITY OF WESTMINSTER

Vice-Chancellor's Report

This year has been dominated by fierce debate over student fees as the Higher Education Bill has progressed through Parliament. I was privileged to be elected chair of the England and Northern Ireland Council of Universities UK, the body representing universities to government, and was therefore able to play an active part in the debate for the higher education sector and on the University of Westminster's behalf.

In a particularly busy year, the University also received two visits by members of the Royal Family. HM The Queen came to celebrate our international work in July, meeting students from many countries and staff engaged in international development work. HRH The Prince of Wales received an enthusiastic welcome at our Harrow Campus from music students and visitors in May. Both were highly complimentary about the work of the University.

Continuing the pattern of recent years the University of Westminster has delivered a strong performance in the 165th year since we were founded as the Royal Polytechnic Institution.

Our student numbers increased by 5%. Our students came from far and wide: a substantial 18% came from over 140 countries outside the UK, making us amongst the top 10 UK universities for non-British students. The Chairman has reported on our strong financial performance, achieved against a background of increased competition and public funding for our core activities that did not meet the rate of cost inflation.

The past year has seen major progress in the continued transformation of the University's estate. While rare peregrine falcons nested at our Marylebone Campus, work advanced considerably at our Cavendish Campus: the entrance to the original building was restored and is now decorated with arresting metal sculptures by our own artist Ben Joiner; on Clipstone Street, the new seven floor Copland Building has been completed on schedule and will be fully occupied by November 2004; and further work on the interior to create new social, working and teaching space is at advanced planning stage. At the original polytechnic building in Regent Street, extensive interior works mean that our headquarters building can now offer access throughout to disabled students, staff and visitors.

We also achieved well against all quality benchmarks set for us - I was particularly pleased to see that the *Sunday Times* repeated its praise of us as 'unsurpassed in the modern university sector' and *The Guardian* rated our media studies teaching the best in the country for the fourth year running. The Chartered Institute of Personnel and Development reaccredited us as a Centre of Excellence after a taxing inspection and other professional bodies also accredited a number of our professionally oriented programmes. Most importantly, our students proved their value in the marketplace: this year 83% first degree graduates entered employment or further study, an improvement of 5% over the last two years.

UNIVERSITY OF WESTMINSTER

Vice-Chancellor's Report (Continued)

In particular, I'd like to congratulate all our key researchers on a successful year. In July, our leading reputation in knowledge transfer secured a £10.6m grant for a regional consortium, *WestFocus*, from which the University will individually benefit by just under £1.7m. The research and consultancy that will be undertaken through the project neatly dovetails with both our expertise and London's growing industry sectors.

In national rankings, we are recognized as the leading modern university for research in the fields of law, Asian studies, linguistics, and communication, cultural and media studies: these areas carry an excellent rating of international excellence and no research area at the University is ranked lower than being of national significance. It was therefore particularly gratifying that two of the University's leading academics - Professor Jim Skea and Mr Peter Hodgkinson - were each awarded the OBE for their outstanding contributions to higher education.

None of our achievements would, however, have been possible without the commitment, enthusiasm and energy of our staff - I thank each and every one for their contribution during the year. I would also like to pay a special tribute to the unsung heroes who have overseen the transformation of our University website, the introduction of major new IT systems for payroll and student records, and indeed developed and improved many areas of our operational systems, all vital to the University's continued smooth operation.

With challenging discussions on student fees, new bursary and scholarship schemes still ahead, 2004-2005 promises to be an exciting year. I look forward to the challenges ahead as we build on the strong base and good performance summarised in the Report.

Dr Geoffrey Copland

Vice-Chancellor and Rector

November 2004

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 FInstP FRSA

Company Secretary

Carole Mainstone, MA MBA

Director of Finance

Philip Harding, MSc FCMA

Auditors

*KPMG LLP
1 Forest Gate
Brighton Road
Crawley
West Sussex
RH11 9PT*

Bankers

*National Westminster Bank plc
HSBC plc
Lloyds TSB Bank plc
Societe Generale*

Solicitors

*Eversheds LLP
Mills & Reeve
Beachcroft Wansbroughs
Nabarro Nathanson*

Registered Office

*309 Regent Street
London
W1B 2UW*

Registered Number

977818 England and Wales

UNIVERSITY OF WESTMINSTER

COURT OF GOVERNORS

The following were Governors (Directors) of the University during the year ended 31 July 2004:

	Appointed	Resigned
Chairman	Sir Alan Thomas	
Deputy Chairmen	Mr D Lovett	
	Dr T Wright	
Mr G Cole		
Dr G M Copland (Vice-Chancellor and Rector)		
Mr M J Crosby		16.12.2003
Ms C Fraser		30.06.2004
Ms M Grinfeld		
The Hon Dame Mary Hogg		
Cllr A Hooper		
Mr P Hopper	10.05.2004	
Dr M Kimberley		
Mr P Kyle	10.05.2004	
Mr R Lane	10.05.2004	
Ms M Lee	10.05.2004	
Dr D Lloyd		
Ms I Macpherson		
Dr B M Minton		16.12.2003
Mr I Newton		
Mr V Patel	05.07.2004	
Professor K Phillips		
Ms M Salandy-Brown		16.12.2003
Ms H Scott		
Mr P J Snell		
Mr R Sockett		
Mr G Sutton		
Dr M Tyler (Deputy Vice-Chancellor and Rector)		

UNIVERSITY OF WESTMINSTER

COURT OF GOVERNORS (continued)

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, FInstP, FRSA is Vice-Chancellor and Rector of the University. He chairs the Universities and Colleges Employers Association and the England and Northern Ireland Council of Universities UK and is Vice-President of Universities UK.

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 council member of the Centre for International Briefing (Farnham Castle) and a court member of the University of Sussex.

Ms Charlotte Fraser BA was the 2003/4 sabbatical president of the University of Westminster Students' Union.

Ms Monica Grinfeld is a lecturer in the School of Architecture and the Built Environment at the University of Westminster and an elected staff representative.

The Hon Dame Mary Hogg DBE, FRSA has an honorary LLD 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 Angela Hooper CBE, DL is a Westminster City Councillor and Chairman of Planning and City Development.

Mr Paul Hopper MA, MSc, MBA recently retired as Managing Director of London Tourist Board and Convention Bureau and is now Chairman of computer software company Pelagon Ltd.

Dr Marion Kimberley BSc, MSc, PhD, FIMA, CMath is the former Director of Personnel at Imperial College of Science, Technology & Medicine.

Mr Peter Kyle CIMgt is General Director of The International Shakespeare Globe Centre.

Mr Richard Lane BA, MBA is a partner and the Head of the Private Equity Group of solicitors, Farrer & Co .

Ms Maggie Lee BA is Founder and Managing Director of an independent consulting company servicing the needs of organisations in the communications and not-for-profit sectors.

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

Mr David Lovett BA (Hons), FCA is a Principal and UK head of Alix Partners Ltd, a corporate performance improvement and turnaround advisory firm.

UNIVERSITY OF WESTMINSTER

COURT OF GOVERNORS (continued)

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.

Mr Vinesh Patel is the 2004/5 sabbatical President of the University of Westminster Students' Union.

Professor Keith Phillips MA, PhD, AFBPS is a Chartered Health Psychologist and Provost of the Harrow Campus at the University of Westminster. He is a staff representative nominated by the Academic Council.

Ms Marina Salandy-Brown BA, PGDip, FRSA was an Editor and Senior Manager in Radio and News and Current Affairs programmes with the BBC and a member of a number of public bodies.

Ms Hilary Scott MSc, FHM was a senior civil servant at the Department of Health. She held the post of Deputy Health Service Ombudsman from 1999 to 2003, having worked as a senior health service manager for several years before that appointment. She is now a consultant in the public services.

Mr Philip Snell BA, MA, FRSA is the former 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 and is an elected staff representative.

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 Cavendish Campus.

Dr Terence Wright MA, DPhil, CChem, FRSC is a non-executive Director of Pixology Ltd, a former Director of Kodak Limited and of New Business Development and Venture Relations, Eastman Kodak Company.

UNIVERSITY OF WESTMINSTER

THE WORK OF THE COURT OF GOVERNORS

All Governors of the University are Directors of the Company. A list of Governors who served during the year to 31 July 2004 appears on page 7. 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.

The Court of Governors, which meets formally five times a year, currently comprises three executive and nineteen 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). 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 in education and research.

Audit Committee

(membership as at 31 July 2004)

Mr Ian Newton (Chair)

Mr Godfrey Cole

Cllr Angela Hooper

Dr Donald Lloyd

Dr Terence Wright

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 on risk management, control, governance and value for money, 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 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.

UNIVERSITY OF WESTMINSTER

THE WORK OF THE COURT OF GOVERNORS (Continued)

Finance and Property Committee (membership as at 31 July 2004)

Mr David Lovett (Chair)
 Dr Geoffrey Copland
 Mr Peter Kyle
 Mr Richard Lane
 Ms Ishbel Macpherson
 Ms Hilary Scott
 Mr Graham Sutton
 Sir Alan Thomas

This Committee meets at least four times a year and 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 (membership as at 31 July 2004)

Dr Marion Kimberley (Chair)
 Mr Paul Hopper
 Ms Maggie Lee
 Ms Hilary Scott
 Mr Philip Snell
 Dr Maud Tyler

This Committee meets at least four times a year to review the University Human Resources policies and related legislation, and to receive and discuss reports on associated matters, including staff training and development and diversity.

UNIVERSITY OF WESTMINSTER

THE WORK OF THE COURT OF GOVERNORS (Continued)

Remuneration Committee

(membership as at 31 July 2004)

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

This Committee 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

(membership as at 31 July 2004)

Sir Alan Thomas (Chairman)
Mr Godfrey Cole
Dr Geoffrey Copland
Ms Maggie Lee
Professor Keith Phillips
Mr Philip Snell

This Committee 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

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 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;
- 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. 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.

The Court of Governors, with advice from the Audit Committee, approved in October 2002 a Risk Management Policy. The policy required 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 took responsibility for implementing the policy and a Register of Strategic Risks is now in place and approved by the Court of Governors. A member of the senior management team has been appointed to take responsibility for the development of an action plan in relation to each of the risks in the Register. This responsibility has been implemented as part of the University's annual planning and budget setting process during the year to 31 July 2004 and is now a permanent element of that process. The work on risk management undertaken during the year was the subject of a satisfactory audit review by the University's internal auditors and a formal report on the implementation was received by the Court of Governors in July 2004.

UNIVERSITY OF WESTMINSTER

CORPORATE GOVERNANCE STATEMENT (Continued)

The Court of Governors is of the view that there is an ongoing process for identifying, evaluating and managing the university's significant risks, that it has been in place for the year ended 31 July 2004 and up to the date of approval of the annual report and accounts, that it is regularly reviewed by the Court of Governors and that it accords with the internal control guidance for directors on the Combined Code as deemed appropriate for higher education.

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 basis of a going concern 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.

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.

UNIVERSITY OF WESTMINSTER

STATEMENT OF GOVERNORS' RESPONSIBILITIES (Continued)

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 employee or 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.

During the year ending 31 July 2004, the University has put in place an important staff development initiative entitled Respect for People, which aims to improve awareness and understanding of diversity issues in the workplace.

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, that is students, visitors and members of the general public, are not exposed to risks to their health, safety or welfare.

INSURANCE FOR OFFICERS

The University purchases "Professional Indemnity" and "Officers Liability" insurance which provides indemnity to governors and officers of the University, in their personal capacity, against damages and legal costs and expenses arising from claims made against them by reason of wrongful acts committed by them in the course of their official duties.

AUDITORS

A resolution to reappoint KPMG as auditors for the year ending 31 July 2005 will be proposed at the forthcoming Annual General Meeting.

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

Sir Alan Thomas

Chairman

13 December 2004

UNIVERSITY OF WESTMINSTER

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

Report of the independent auditors to the Court of Governors of The University of Westminster

We have audited the financial statements on pages 19 to 57.

This report is made solely to the Court of Governors, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Court of Governors those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Court of Governors, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the University's Court of Governors and the auditors

The University's Court of Governors, who are also the directors of the University of Westminster for the purpose of company law, 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 and Companies Act 1985. 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, in all material respects, 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 Court of Governors' 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 Court of Governors' Report (including the corporate governance statement), and consider the implications for our report if we become aware of any apparent misstatements within it.

UNIVERSITY OF WESTMINSTER

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

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of affairs of the University and the group as at 31 July 2004 and of the group's surplus of income over expenditure, recognised gains and losses and cashflows for the year then ended, and are properly prepared in accordance with the Statement of Recommended Practice - Accounting for Further and Higher Education Institutions and Companies Act 1985;
- 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 during the year ended 31 July 2004 have been applied for the purposes for which they were received;
- in all material respects, income during the year ended 31 July 2004 has been applied in accordance with the University's statutes and, where appropriate, with the financial memoranda (00/25 and 03/54) with the Higher Education Funding Council for England.

KPMG LLP
Chartered Accountants
Registered Auditor

1 Forest Gate
Brighton Road
Crawley
Sussex
RH11 9PT

UNIVERSITY OF WESTMINSTER

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT For the year ended 31 July 2004

		2004	2003
	Note	£'000	£'000
INCOME FROM CONTINUING ACTIVITIES			
Funding council grants	5	58,598	51,027
Academic fees and support grants	6	43,787	41,268
Research grants and contracts	7	5,380	5,422
Other operating income	8	15,805	15,446
Interest receivable		935	1,166
Total income		124,505	114,329
EXPENDITURE ON CONTINUING ACTIVITIES			
Staff costs	9,12	68,101	61,262
Depreciation	11	3,251	3,057
Other operating expenses	9	47,573	45,309
Interest payable	10	2,083	2,310
Total expenditure		121,008	111,938
Surplus for the financial year	15	3,497	2,391

All activities relate to continuing operations.

UNIVERSITY OF WESTMINSTER

NOTE OF CONSOLIDATED HISTORICAL COST SURPLUSES AND DEFICITS
For the year ended 31 July 2004

	2004	2003
	£'000	£'000
Surplus for the financial year	3,497	2,391
Difference between historical cost depreciation and the actual depreciation charge for the year calculated on the revalued amount	572	569
Historical cost surplus	4,069	2,960

UNIVERSITY OF WESTMINSTER

STATEMENT OF CONSOLIDATED TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 31 July 2004

	2004	2003
	£'000	£'000
Surplus for the financial year	3,497	2,391
Total recognised gains for the year	<u>3,497</u>	<u>2,391</u>

UNIVERSITY OF WESTMINSTER

CONSOLIDATED BALANCE SHEET

As at 31 July 2004

	Note	2004		2003	
		£'000	£'000	£'000	£'000
Fixed Assets					
Tangible assets	17	100,211		88,896	
Investments	18	<u>181</u>		<u>147</u>	
			100,392		89,043
Current Assets					
Stocks	19	1		3	
Debtors due within one year	20	8,393		7,299	
Investments	21	14,534		20,528	
Cash at bank and in hand		<u>1,536</u>		<u>1,470</u>	
		24,464		29,300	
Creditors					
Amounts falling due within one year	22	<u>(23,735)</u>		<u>(21,141)</u>	
Net Current Assets			<u>729</u>		<u>8,159</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			101,121		97,202
Creditors					
Amounts falling due after more than one year	22		<u>(25,399)</u>		<u>(25,221)</u>
TOTAL NET ASSETS			<u><u>75,722</u></u>		<u><u>71,981</u></u>
Represented by:					
Deferred capital grants	24		19,388		19,365
Reserves					
Revaluation reserve	26	22,145		22,496	
Specific reserve	26	1,844		2,183	
Revenue reserve	26	<u>32,345</u>		<u>27,937</u>	
			56,334		52,616
TOTAL FUNDS			<u><u>75,722</u></u>		<u><u>71,981</u></u>

Approved by the Court of Governors on 13 December 2004 and signed on its behalf by:

Sir Alan Thomas
Chairman

Dr Geoffrey M Copland
Vice-Chancellor and Rector

UNIVERSITY OF WESTMINSTER

UNIVERSITY BALANCE SHEET
As at 31 July 2004

		2004		2003	
	Note	£'000	£'000	£'000	£'000
Fixed Assets					
Tangible assets	17	69,118		57,045	
Investments	18	<u>20,353</u>		<u>20,319</u>	
			89,471		77,364
Current Assets					
Debtors due within one year	20	8,504		7,673	
Debtors due after more than one year	20	2,114		2,018	
Investments	21	14,533		20,191	
Cash at bank and in hand		<u>1,528</u>		<u>1,389</u>	
		26,679		31,271	
Creditors					
Amounts falling due within one year	22	<u>(23,546)</u>		<u>(21,320)</u>	
Net Current Assets			3,133		9,951
TOTAL ASSETS LESS CURRENT LIABILITIES			92,604		87,315
Creditors					
Amounts falling due after more than one year	22		<u>(26,341)</u>		<u>(25,858)</u>
TOTAL NET ASSETS			<u>66,263</u>		<u>61,457</u>
Represented by:					
Deferred capital grants	24		17,162		17,084
Reserves					
Revaluation reserve	26	17,790		18,019	
Specific reserve	26	954		962	
Revenue reserve	26	<u>30,357</u>		<u>25,392</u>	
			49,101		44,373
TOTAL FUNDS			<u>66,263</u>		<u>61,457</u>

Approved by the Court of Governors on 13 December 2004 and signed on its behalf by:

Sir Alan Thomas
Chairman

Dr Geoffrey M Copland
Vice-Chancellor and Rector

UNIVERSITY OF WESTMINSTER

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 July 2004

	Note	2004 £'000	2003 £'000
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	29	9,500	(1,094)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		935	1,166
Interest paid		(2,083)	(2,310)
Net cash outflow from returns on investments and servicing of finance		(1,148)	(1,144)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Purchase of tangible fixed assets		(14,862)	(9,917)
Purchase of fixed asset investments		(34)	(110)
Receipts from sale of assets		289	-
Deferred capital grants received		497	8,252
Net cash outflow from capital expenditure and financial investment		(14,110)	(1,775)
CASH OUTFLOW BEFORE MANAGEMENT OF LIQUID RESOURCES AND FINANCING		(5,758)	(4,013)
MANAGEMENT OF LIQUID RESOURCES			
Cash transferred from short term deposits		5,994	7,615
FINANCING			
Capital element of loan repayments		(218)	(3,052)
Loans acquired		48	87
Net cash outflow from financing		(170)	(2,965)
INCREASE IN CASH	30	66	637

UNIVERSITY OF WESTMINSTER

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

		2004		2003	
	Note	£'000	£'000	£'000	£'000
Increase in cash in period		66		637	
Cash outflow from movement in liquid resources		(5,994)		(7,615)	
Cash outflow from decrease in debt and lease financing		<u>170</u>		<u>2,965</u>	
Change in net debt resulting from cash flows			<u>(5,758)</u>		<u>(4,013)</u>
Movement in net debt in the period			(5,758)		(4,013)
Net debt at 1 August			<u>(715)</u>		<u>3,298</u>
Net debt at 31 July	30		<u><u>(6,473)</u></u>		<u><u>(715)</u></u>

UNIVERSITY OF WESTMINSTER

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2004

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 2004.

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.

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

UNIVERSITY OF WESTMINSTER

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; Computers; 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. Investments

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

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 and international activities 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	2004 £'000	2003 £'000
(a) Recurrent grant from HEFCE			
Main allocation		49,397	46,196
Research		2,123	1,877
Special initiatives		493	576
Pension liabilities		420	417
Inherited liabilities (capital related):			
Premises rents		64	589
Debt charges		538	552
Capital project grants		5,089	402
		<u>58,124</u>	<u>50,609</u>
(b) Release of HEFCE capital grants	24	474	418
		<u><u>58,598</u></u>	<u><u>51,027</u></u>

HEFCE funding received in relation to "Widening Participation" and "Rewarding and Developing Staff" have been reclassified from special initiatives to inclusion in the main allocation. The 2003 comparatives have been amended accordingly.

(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.

UNIVERSITY OF WESTMINSTER

6. ACADEMIC FEES AND SUPPORT GRANTS

	2004 £'000	2003 £'000
Tuition fees for full, part-time and sandwich courses:		
Home and EC	15,326	13,952
Overseas	15,775	14,464
Full cost courses	9,711	10,401
Short courses	2,975	2,451
	43,787	41,268

Full cost courses includes an amount of £1,149K (2003: £990K) which is derived from International collaborations in Asia.

7. RESEARCH GRANTS AND CONTRACTS

	2004 £'000	2003 £'000
Income		
Government departments	2,947	2,651
Research councils	733	638
UK based charities	464	571
European Commission	822	1,084
Other bodies	414	478
	5,380	5,422
Expenditure		
Staff costs	2,490	2,269
Other operating expenses	2,520	2,329
	5,010	4,598
Surplus	370	824

Note: amounts relating to non-francati research income and expenditure have been reclassified as consultancy within other operating income (note 8) and other expenditure (note 9). The 2003 comparatives have been reclassified accordingly.

UNIVERSITY OF WESTMINSTER

8. OTHER OPERATING INCOME

	2004 £'000	2003 £'000
Residences and catering	7,925	6,925
Recreation	492	376
Rents and lettings	2,323	2,331
Photocopier income	235	180
Sundry sales	385	453
Miscellaneous	3,196	4,211
Donations	1,249	970
	<u>15,805</u>	<u>15,446</u>

Miscellaneous income includes an amount of £998k (2003: £1,203k) which is derived from activities in Africa.

9. EXPENDITURE BY ACTIVITY

	2004			2003		
	Staff Costs	Other Operating Expenses	Total	Staff Costs	Other Operating Expenses	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Academic departments	49,412	9,333	58,745	44,490	9,757	54,247
Academic support services	3,025	4,200	7,225	2,515	2,962	5,477
Research	2,490	2,520	5,010	2,269	2,329	4,598
Administration and central services	9,806	8,827	18,633	9,004	8,731	17,735
Premises	1,963	15,935	17,898	1,780	15,459	17,239
Residences and catering	927	6,234	7,161	706	5,816	6,522
Other expenditure	478	524	1,002	498	255	753
	<u>68,101</u>	<u>47,573</u>	<u>115,674</u>	<u>61,262</u>	<u>45,309</u>	<u>106,571</u>

UNIVERSITY OF WESTMINSTER

10. INTEREST PAYABLE

	2004 £'000	2003 £'000
Bank and other loans repayable after more than five years	–	222
Inherited debt	539	552
Promissory note	1,544	1,533
Other interest payable	–	3
	<u>2,083</u>	<u>2,310</u>

11. DEPRECIATION

	2004 £'000	2003 £'000
The depreciation charge has been funded by:		
Release of deferred capital grants	474	418
Release of revaluation reserve	572	569
General income	2,205	2,070
	<u>3,251</u>	<u>3,057</u>

12. INFORMATION REGARDING EMPLOYEES

	2004 £'000	2003 £'000
(a) Employee costs		
Wages and salaries	55,776	51,409
Social security costs	4,662	3,939
Other pension costs	5,392	4,222
Other staff related costs	2,271	1,692
	<u>68,101</u>	<u>61,262</u>
(b) Average number of people employed by the group in the year	No.	No.
Teaching and support staff	1,305	1,275
Part-time teachers	540	432
Premises and grounds staff	93	81
Administrative staff	348	325
	<u>2,286</u>	<u>2,113</u>

The 2004 average number of people employed is compiled from the number of employment contracts whilst 2003 is based on headcount. This accounts for 89 of the increase in the total number.

UNIVERSITY OF WESTMINSTER

(c) Emoluments of higher paid staff (excluding Governors)

	2004 No.	2003 No.
The following staff received emoluments (including pension contributions) of £70,000 or over		
£70,000 - £79,999	13	7
£80,000 - £89,999	2	3
£90,000 - £99,999	3	2
£100,000 - £109,999	1	2
£110,000 - £119,999	1	–
	<u>20</u>	<u>14</u>
	£'000	£'000
Remuneration	1,492	1,078
Pension contributions	170	101
Total emoluments	<u>1,662</u>	<u>1,179</u>

13. EMOLUMENTS OF GOVERNORS

	2004 £'000	2003 £'000
(a) The emoluments of the governors of the University are:		
In respect of service as governors	–	–
Other emoluments (including pension contributions on behalf of executive governors)	459	405
(b) The emoluments of the chairman and executive governors are:		
Chairman: Sir Alan Thomas	–	–
Highest paid governor: Dr G M Copland as Vice-Chancellor and Rector:		
Remuneration	148	143
Pension contributions	19	14
Total emoluments	<u>167</u>	<u>157</u>

The remuneration 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.

Four governors (2003: four) are members of the University's defined benefit pension scheme and accrued benefits during the year under that scheme.

UNIVERSITY OF WESTMINSTER

14. TAXATION

Factors affecting tax charge for the current period

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

	2004 £'000	2003 £'000
Consolidated profit on ordinary activities	3,497	2,391
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2003: 30%):	(1,049)	(718)
Effects of:		
- Expenses not deductible for tax purposes	(275)	(73)
- Capital allowances in excess of depreciation	72	10
- Utilisation of tax losses	–	–
- Movement in short timing differences	–	(4)
- Non-taxable profit	1,252	785
Current tax charge for the year	–	–

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 £1,035,978 (2003: £963,542).

UNIVERSITY OF WESTMINSTER

15. SURPLUS FOR THE FINANCIAL YEAR BEFORE TRANSFERS FROM RESERVES

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

	2004	2003
	£'000	£'000
Auditors remuneration:		
audit fee University	48	13
Subsidiary companies	3	17
other services	35	36
Operating lease rentals:		
property rents	6,650	6,978
Depreciation:		
owned assets	2,944	2,750
leased assets	307	307
Loss on disposal of fixed assets	7	–

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 £4.507m (2003: £2.080m).

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 2003	83,516	9,455	8,016	19,237	1,116	4,392	96	125,828
Additions	-	-	14,413	281	-	168	-	14,862
Transfers	1,506	-	(2,052)	546	-	-	-	-
Disposals	-	-	(296)	-	-	-	(10)	(306)
At 31 July 2004	85,022	9,455	20,081	20,064	1,116	4,560	86	140,384
Accumulated depreciation								
At 1 August 2003	11,889	1,863	-	18,685	1,091	3,308	96	36,932
Charge for the year	1,794	307	-	436	18	696	-	3,251
Disposals	-	-	-	-	-	-	(10)	(10)
At 31 July 2004	13,683	2,170	-	19,121	1,109	4,004	86	40,173
Net book value at 31 July 2004	71,339	7,285	20,081	943	7	556	-	100,211
Net book value at 31 July 2003	71,627	7,592	8,016	552	25	1,084	-	88,896

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 2003	45,125	9,455	8,016	19,237	1,116	4,392	96	87,437
Additions	-	-	14,413	281	-	168	-	14,862
Transfers	1,506	-	(2,052)	546	-	-	-	-
Disposals	-	-	(296)	-	-	-	(10)	(306)
At 31 July 2004	46,631	9,455	20,081	20,064	1,116	4,560	86	101,993
Accumulated depreciation								
At 1 August 2003	5,349	1,863	-	18,685	1,091	3,308	96	30,392
Charge for the year	1,036	307	-	436	18	696	-	2,493
Disposals	-	-	-	-	-	-	(10)	(10)
At 31 July 2004	6,385	2,170	-	19,121	1,109	4,004	86	32,875
Net book value at 31 July 2004	40,246	7,285	20,081	943	7	556	-	69,118
Net book value at 31 July 2003	39,776	7,592	8,016	552	25	1,084	-	57,045

UNIVERSITY OF WESTMINSTER

17. TANGIBLE ASSETS (continued)

(c) The Group and the University

	The Group		The University	
	2004 £'000	2003 £'000	2004 £'000	2003 £'000
(i) Analysis of land and buildings at cost or valuation:				
At cost	58,813	57,308	27,195	25,689
Revaluation increase	26,208	26,208	19,436	19,436
At valuation: 31 July 1995	<u>85,021</u>	<u>83,516</u>	<u>46,631</u>	<u>45,125</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	
	2004 £'000	2003 £'000	2004 £'000	2003 £'000
(ii) If freehold land and buildings had not been revalued, they would have been included at the following amounts:				
Cost	58,813	57,308	27,195	25,689
Aggregate depreciation	<u>(8,704)</u>	<u>(7,540)</u>	<u>(2,591)</u>	<u>(2,049)</u>
Net book value	<u>50,109</u>	<u>49,768</u>	<u>24,604</u>	<u>23,640</u>

(iii) The value of freehold land and buildings includes £5.704 million in respect of land that is not depreciated (2003: £5.704 million).

UNIVERSITY OF WESTMINSTER

18. FIXED ASSET INVESTMENTS

	The Group		The University	
	2004 £'000	2003 £'000	2004 £'000	2003 £'000
Share in subsidiary undertakings:				
At 1 August & 31 July	–	–	20,172	20,172
Other shareholdings:				
At 1 August	147	37	147	37
Additions	34	110	34	110
At 31 July	181	147	181	147
Total fixed asset investments	181	147	20,353	20,319

- (i) The University and group has a holding in CVCP Properties plc which represents an investment of 37,111 fully paid Ordinary £1 shares. It is an unquoted company.
- (ii) The University and group holds one fully paid Ordinary £1 share in Klenzyme Ltd. It is an unquoted company.
- (iii) The University and group holds 10,000 fully paid Ordinary £1 A shares, 50,000 Ordinary £1 B shares and 13,595 Ordinary £1 shares in Angelsey Natural Foods Ltd. It is an unquoted company.
- (iv) The following companies were all held as investments by the University of Westminster on 31 July 2004. 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

	2004 £'000	2003 £'000
Goods for resale	1	3

20. DEBTORS

	The Group		The University	
	2004 £'000	2003 £'000	2004 £'000	2003 £'000
Amounts falling due within one year:				
HEFCE	467	427	467	427
Trade and sundry debtors	2,034	2,429	1,468	1,774
Amounts owed by subsidiary companies	–	–	120	63
Other debtors	1,401	1,489	1,372	1,486
Prepayments and accrued income	4,491	2,954	5,077	3,923
	<u>8,393</u>	<u>7,299</u>	<u>8,504</u>	<u>7,673</u>
Amounts falling due after more than one year:				
Amounts owed by subsidiary companies	–	–	2,114	2,018
	<u>–</u>	<u>–</u>	<u>2,114</u>	<u>2,018</u>
Total debtors	<u><u>8,393</u></u>	<u><u>7,299</u></u>	<u><u>10,618</u></u>	<u><u>9,691</u></u>

UNIVERSITY OF WESTMINSTER

21. INVESTMENTS HELD AS CURRENT ASSETS

	The Group		The University	
	2004 £'000	2003 £'000	2004 £'000	2003 £'000
Short term deposits	14,532	20,526	14,532	20,189
Equities at valuation at 31 July	2	2	1	2
	<u>14,534</u>	<u>20,528</u>	<u>14,533</u>	<u>20,191</u>

Equities consist of the following:

As at 31 July 2003 the University held 198 shares in HBOS plc. The market value was £1,534. The University receives shares in lieu of dividends and as at 31 July 2004 held 206 shares in HBOS plc with a market value of £1,468.

The group also holds £494 of 12% Exchequer stock, the market value of which was £744 at 31 July 2004 (2003: £795).

UNIVERSITY OF WESTMINSTER

22. CREDITORS

	The Group		The University	
	2004 £'000	2003 £'000	2004 £'000	2003 £'000
Amounts falling due within one year:				
Trade creditors	4,276	4,265	3,784	4,153
Bank and other borrowings (see note 23)	402	393	396	393
Access funds (see note 25)	111	236	111	236
Taxation and social security	2,214	2,101	2,181	2,072
Provision for enhanced future pensions	210	211	210	211
Other creditors	1,968	1,695	1,904	1,615
Amounts due to subsidiary undertakings	–	–	950	817
Accruals and deferred income	14,554	12,240	14,010	11,823
Total due within one year	<u>23,735</u>	<u>21,141</u>	<u>23,546</u>	<u>21,320</u>
Amounts falling due between one and two years:				
Bank and other borrowings (see note 23)	288	229	225	229
Provision for enhanced future pensions	210	211	210	211
Accruals and deferred income	371	–	371	–
	<u>869</u>	<u>440</u>	<u>806</u>	<u>440</u>
Amounts falling due between two and five years:				
Bank and other borrowings (see note 23)	1,359	1,098	756	713
Provision for enhanced future pensions	630	633	630	633
	<u>1,989</u>	<u>1,731</u>	<u>1,386</u>	<u>1,346</u>
Amounts falling due over five years:				
Bank and other borrowings (see note 23)	20,494	20,993	4,991	5,251
Provision for enhanced future pensions	2,047	2,057	2,047	2,057
Amounts due to subsidiary undertakings	–	–	17,111	16,764
	<u>22,541</u>	<u>23,050</u>	<u>24,149</u>	<u>24,072</u>
Total due after more than one year	<u>25,399</u>	<u>25,221</u>	<u>26,341</u>	<u>25,858</u>
Total creditors	<u><u>49,134</u></u>	<u><u>46,362</u></u>	<u><u>49,887</u></u>	<u><u>47,178</u></u>

UNIVERSITY OF WESTMINSTER

23. BANK AND OTHER BORROWINGS

	The Group		The University	
	2004 £'000	2003 £'000	2004 £'000	2003 £'000
Bank and other borrowings due within one year or on demand:				
Other unsecured loans	396	393	396	393
Promissory note	6	–	–	–
	<u>402</u>	<u>393</u>	<u>396</u>	<u>393</u>
Bank and other borrowings due between one and two years:				
Other unsecured loans	225	229	225	229
Promissory note	63	–	–	–
	<u>288</u>	<u>229</u>	<u>225</u>	<u>229</u>
Bank and other borrowings due between two and five years:				
Other unsecured loans	756	713	756	713
Promissory note	603	385	–	–
	<u>1,359</u>	<u>1,098</u>	<u>756</u>	<u>713</u>
Bank and other borrowings due after more than five years:				
Other unsecured loans	4,991	5,251	4,991	5,251
Promissory note	15,503	15,742	–	–
	<u>20,494</u>	<u>20,993</u>	<u>4,991</u>	<u>5,251</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.

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

(a) The Group

	Buildings HEFCE	Equip HEFCE	Buildings Other grants	Total £'000
Balance at 1 August 2003	18,599	166	600	19,365
Grants received	–	347	150	497
	<u>18,599</u>	<u>513</u>	<u>750</u>	<u>19,862</u>
Release to income and expenditure account	(322)	(152)	–	(474)
Balance at 31 July 2004	<u>18,277</u>	<u>361</u>	<u>750</u>	<u>19,388</u>

(b) The University

	Buildings HEFCE	Equip HEFCE	Buildings Other grants	Total £'000
Balance at 1 August 2003	16,318	166	600	17,084
Grants received	–	347	150	497
	<u>16,318</u>	<u>513</u>	<u>750</u>	<u>17,581</u>
Release to income and expenditure accounts	(267)	(152)	–	(419)
Balance at 31 July 2004	<u>16,051</u>	<u>361</u>	<u>750</u>	<u>17,162</u>

25. ACCESS FUNDS FOR STUDENTS

The University received and distributed HEFCE access funds as follows:

	2004 £'000	2003 £'000
At 1 August	236	209
Received	1,307	1,222
Interest accrued	19	18
Distributed	(1,451)	(1,213)
At 31 July	<u>111</u>	<u>236</u>

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 £'000	Specific Reserve £'000	Revenue Reserve £'000	Total Reserves £'000
Balance at 1 August 2003	22,496	2,183	27,937	52,616
Surplus for the year	–	–	3,497	3,497
Reimbursement of capital element of debt inherited from local authority	221	–	–	221
Transfer (from)/to reserves	(572)	(339)	911	–
Balance at 31 July 2004	22,145	1,844	32,345	56,334

(b) The University

	Revaluation Reserve £'000	Specific Reserve £'000	Revenue Reserve £'000	Total Reserves £'000
Balance at 1 August 2003	18,019	962	25,392	44,373
Surplus for the year	–	–	4,507	4,507
Reimbursement of capital element of debt inherited from local authority	221	–	–	221
Transfer (from)/to reserves	(450)	(8)	458	–
Balance at 31 July 2004	17,790	954	30,357	49,101

UNIVERSITY OF WESTMINSTER

27. FINANCIAL COMMITMENTS

Operating leases

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

	Land and Buildings	Land and Buildings
	2004	2003
	£'000	£'000
Leases which expire:		
Between 2 and 5 years	450	450
After 5 years	5,901	6,086
	<u>6,351</u>	<u>6,536</u>

28. CAPITAL AND OTHER FINANCIAL COMMITMENTS

Capital expenditure authorised and contracted for but not provided in the accounts amounts to £5.296 million for the Group and University (2003: £10.921 million).

Contracts placed for future expenditure not provided in the accounts in respect of other financial commitments amount to £0.612 million for the Group and University (2003: £0.804 million).

UNIVERSITY OF WESTMINSTER

29. CASHFLOW FROM OPERATING ACTIVITIES

	2004 £'000	2003 £'000
Surplus from Operating Activities	3,497	2,391
Depreciation	3,251	3,057
Deferred capital grants released to income	(474)	(418)
Investment income	(935)	(1,166)
Interest payable	2,083	2,310
Increase in debtors	(1,094)	(1,565)
Increase/(decrease) in creditors	2,942	(5,973)
Decrease in stocks	2	61
Capital reimbursement transferred to reserves	221	209
Loss on disposal of fixed assets	7	–
Net Cash Inflow/(Outflow) from Operating Activities	9,500	(1,094)

30. ANALYSIS OF CHANGES IN NET DEBT

	At 1 August 2003 £'000	Cash Flows £'000	Other Changes £'000	At 31 July 2004 £'000
Cash at bank and in hand	1,470	66	–	1,536
	<u>1,470</u>	<u>66</u>	<u>–</u>	<u>1,536</u>
Liquid Resources:				
Current asset investment	2	–	–	2
Short term deposits	20,526	(5,994)	–	14,532
	<u>20,528</u>	<u>(5,994)</u>	<u>–</u>	<u>14,534</u>
Debt:				
Loans due within one year	(393)	393	(402)	(402)
Loans due after more than one year	(22,320)	(223)	402	(22,141)
	<u>(22,713)</u>	<u>170</u>	<u>–</u>	<u>(22,543)</u>
Net debt	(715)	(5,758)	–	(6,473)

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 2003 and covered the period 1 April 1996 to 31 March 2001.

Subsequent to the valuation of the fund by the Government Actuary as at 31 March 2001 it was determined that the employer's contribution would be increased to 13.5% of salary from 1 April 2003. The following actuarial assumptions were applied:

Gross rate of return	7.0% per annum
Real rate of return in excess of:	
Prices	3.5% per annum
Earnings	2.0% per annum
Rate of real earnings growth*	1.5% per annum

* in addition to increases arising from salary progression, promotion etc.

In the year ending 31 July 2004 contributions by the Group to the scheme were £3,477,956. (31 July 2003: £2,466,392).

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 2004. The next formal valuation was due as at 31 March 2004.

UNIVERSITY OF WESTMINSTER

31. PENSION COSTS (continued)

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

Assumptions as at:	2004 % per annum	2003 % per annum	2002 % per annum
Price increases	2.9	2.6	2.4
Salary increases	4.4	4.1	3.9
Pension increases	2.9	2.6	2.4
Discount rate	5.8	5.5	6.0

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

Assets (Active fund)	Long term rate 2004 % per annum	Fund value 2004 £'000	Long term rate 2003 % per annum	Fund value 2003 £'000	Long term rate 2002 % per annum	Fund value 2002 £'000
Equities	7.9	1,093,000	8.0	1,052,900	8.0	983,200
Bonds	5.4	159,000	5.0	169,800	5.5	182,580
Property	6.7	105,000	6.0	65,800	6.0	–
Cash	4.5	17,000	3.5	–	4.0	17,000
Total	7.5	<u>1,374,000</u>	7.5	<u>1,288,500</u>	7.6	<u>1,182,780</u>

The University's net pension assets were as follows:

Net pension assets as at	2004 £'000	2003 £'000	2002 £'000
Estimated asset share (a)	42,145	38,050	36,158
Present value of scheme liabilities	(63,780)	(58,370)	(46,681)
Present value of unfunded liabilities	(1,714)	(1,660)	(1,561)
Total value of liabilities (b)	(65,494)	(60,030)	(48,242)
Deficit in the scheme - net pension liability (a) – (b)	<u>(23,349)</u>	<u>(21,980)</u>	<u>(12,084)</u>

UNIVERSITY OF WESTMINSTER

31. PENSION COSTS (continued)

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

	2004 £'000	2003 £'000
Net assets excluding pension liability	75,722	71,981
Pension liability	(23,349)	(21,980)
Net assets including pension liability	<u>52,373</u>	<u>50,001</u>
Profit and loss reserve excluding pension liability	32,345	27,937
Pension reserve	(23,349)	(21,980)
Profit and loss reserve including pension liability	<u>8,996</u>	<u>5,957</u>

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:

Analysis of amounts charged to income and expenditure account:	2004 £'000	2003 £'000
Current service cost	2,575	1,840
Past service cost	–	60
Curtailment and settlements	34	30
Financing:		
- expected return on pension assets	2,897	2,790
- interest on pension scheme liabilities	(3,362)	(2,890)
Net return	<u>(465)</u>	<u>(100)</u>
Analysis of amount recognised in Statement of Total Recognised Gains and Losses (STRGL):		
Actual return less expected return on pension scheme assets	25	(2,290)
Experience gains and losses arising on the scheme liabilities	(51)	(510)
Changes in assumptions underlying the present value of the scheme liabilities	(82)	(6,640)
Total actuarial loss recognised	<u>(108)</u>	<u>(9,440)</u>

UNIVERSITY OF WESTMINSTER

31. PENSION COSTS (continued)

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:

	2004 £'000	2003 £'000
Deficit at beginning of the year	(21,980)	(12,080)
Current service cost	(2,575)	(1,840)
University contributions	1,693	1,570
Contributions in respect of unfunded benefits	120	–
Past service cost	–	(60)
Impact of settlements and curtailments	(34)	(30)
Net return on assets	(465)	(100)
Actuarial losses	(108)	(9,440)
Deficit on the scheme at 31 July	(23,349)	(21,980)

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.

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 next formal valuation was due as at 31 March 2004.

UNIVERSITY OF WESTMINSTER

31. PENSION COSTS (continued)

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

	2004 £'000	2003 £'000	2002 £'000
Difference between the expected and actual return on scheme assets	25	(2,290)	(9,643)
Value of assets	42,145	38,050	36,158
Percentage of assets	0.1%	(6.0%)	(26.7%)
Experience losses on liabilities	(51)	(510)	(817)
Present value of liabilities	(65,494)	(60,030)	(46,681)
Percentage of the present value of liabilities	(0.1%)	(0.8%)	(1.8%)
Actuarial loss recognised in the STRGL	(108)	(9,440)	(5,907)
Percentage of the present value of liabilities	(0.2%)	(15.7%)	(12.7%)

In the year ending 31 July 2004, contributions by the Group to the scheme were £1,682,495 (2003: £1,582,634).

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 adopted the transitional arrangements under 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 2004, contributions by the Group to the scheme were £1,323. (2003: £3,309).

UNIVERSITY OF WESTMINSTER

31. PENSION COSTS (continued)

The scheme is subject to triennial valuation by professionally qualified and independent actuaries. The last available valuation was carried out on 31 March 2002 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 and future service liabilities:

Valuation method	Projected unit	
	Past Service % per annum	Future Service % per annum
Investment return on liabilities		
- before retirement	6.0	7.0
- after retirement	5.0	5.0
Salary growth*	4.2	4.2
Pension increases	2.7	2.7

*excluding an allowance for promotional increases

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 £941 million representing 121% of the liability for benefits after allowing for expected future increases in salaries.

The contribution rate required for future service benefits alone at the date of the valuation was 17.4% of salaries per annum.

Employers who have recently joined SAUL ("New Employers") and certain employee groups (as agreed by the Trustee of SAUL), pay 17.4% 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, subject to review at future valuations. The surplus also supports the continuation of the Employee contribution rate of 5% of salaries per annum, again subject to review.

The next formal actuarial valuation is due at 31 March 2005 when the above rates will be reviewed.

UNIVERSITY OF WESTMINSTER

31. PENSION COSTS (continued)

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 Second Pension (S2P). 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 2002. 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 5.0% per annum, salary increases would be 3.7% per annum and pensions would increase by 2.7% per annum. In relation to the future service liabilities it was assumed that the valuation rate of interest would be 6.0% per annum, including an additional investment return assumption of 1% per annum, salary increases would be 3.7% per annum and pensions would increase by 2.7% 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 £19,938 million and the value of the past service liabilities was £19,776 million leaving a surplus of assets of £162 million. The assets therefore were sufficient to cover 101% 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 14.25% of salaries but it was agreed that the institution contribution rate will be maintained at 14% of salaries. To fund this reduction of 0.25% for the period of 12 years from the date of the valuation (the average outstanding working lifetime of the current members of the scheme) required the use of £82.5 million of the surplus. This left a past service surplus of £79.5 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 is due as at 31 March 2005 when the above rates will be reviewed.

The total pension cost for the institution was £229,858 (2003: £200,317). The contribution rate payable by the institution was 14% of pensionable salaries.

UNIVERSITY OF WESTMINSTER

32. RELATED PARTY TRANSACTIONS

Four separate charitable trusts are established 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:

	2004 £'000	2003 £'000
Quintin Hogg Trust:		
Rent payable to Trust – academic buildings	(2,580)	(2,569)
Rent payable to Trust – halls of residence	(1,380)	(1,615)
Donations received by University	1,152	825
Contribution to halls maintenance	681	–
Amounts owed to related party:		
– other amounts	186	30
Disclosed as other debtors in the accounts	<u>186</u>	<u>30</u>
The Regent Street Polytechnic Trust:		
Donations received by University included as deferred capital grants in the accounts	150	600
The Quintin Hogg Memorial Fund:		
Rent payable to Trust	73	73
Amounts owed by related party:		
– balance of disposal proceeds	373	446
– other amounts	(114)	29
Disclosed as other debtors in the accounts	<u>259</u>	<u>475</u>
The University of Westminster Prize and Scholarship Fund		
Amounts owed to related party:		
- other amounts	(1)	5
Disclosed as other creditors/(debtors) in the accounts	<u>(1)</u>	<u>5</u>

UNIVERSITY OF WESTMINSTER

32. RELATED PARTY TRANSACTIONS (continued)

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.

