

SHEFFIELD HALLAM UNIVERSITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2000

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SHEFFIELD HALLAM UNIVERSITY

BOARD OF GOVERNORS REPORT FOR THE YEAR ENDED 31 JULY 2000

The Governors of Sheffield Hallam University submit their annual report and audited accounts for the year ended 31 July 2000.

Constitution and Powers

Sheffield Hallam University is a higher education corporation (HEC) as defined under the Education Reform Act 1988.

The powers of the HEC are defined in Section 124 of the 1988 Act as amended by the Further and Higher Education (FHE) Act 1992, and subject thereto any relevant regulations, orders or directions made by the Secretary of State or Privy Council. These powers include the power to provide higher and further education and to carry out research and to publish the results of such research.

The Corporation has exempt charitable status by virtue of the 1988 Act.

Scope of the Financial Statements

The financial statements presented by the Governors comprise the consolidated results of the University and its subsidiary companies. The subsidiary companies undertake activities which, for legal or commercial reasons, are more appropriately channelled through a limited company. These activities include:-

Collegiate Properties (2) Limited : contracting and property management

Collegiate Properties (3) Limited : equipment leasing

Collegiate Library Services Limited : provision of library services to the University

O & N Contracting Limited : property leasing

Sheffield Hallam University Enterprises Limited : non-property related trading activities

Collegiate Charitable Trust is also consolidated. The Trust's main activity is the leasing of property.

The subsidiary companies covenant taxable profits to the University.

The trust returns taxable profits to the University by way of a grant.

Review of Developments

1999/2000 has been another successful year for Sheffield Hallam.

So far as *teaching* quality is concerned, in Quality Assurance Agency subject reviews each of the last five subjects reviewed has achieved the “excellent” standard - 22 or more out of 24¹.

Turning to *research*, Pro-Vice Chancellor Professor Bob Anderson launched a strategy designed to double the University’s research income by 2005 by developing and in some cases commercialising work in five areas of our research which have outstanding potential. Research income for 1999-2000 was 28 percent up on the previous year.

There have been three particularly significant *estates* developments, each furthering in its own way the University’s ambition to set the standard for a modern, progressive university with a leading national role in the 21st Century.

Steve Cram OBE, chairman of the English Institute of Sport, officially opened the new £5m Centre for Sport and Exercise Science in October 2000, but the full-scale refurbishment of the huge Collegiate Hall to create a home fit for the Centre took place mainly during 1999-2000. During the period under review the Centre had already secured several clients among national sports bodies and elite sportspeople, achieved industry accreditation, established a partnership with international sports medicine and rehabilitation provider HealthSouth and, with the University of Sheffield, won a contract to undertake research for the British Heart Foundation.

Meanwhile, next door to the Centre, work to extend, refurbish and totally transform the Collegiate Learning Centre in time for reopening in September 2000 was under way throughout the summer. This high quality library and multimedia learning resource brings to Collegiate Campus the service integration and high standards taken for granted by users of the award-winning City Campus Adsetts Centre.

In the Owen Building, also on City Campus, two floors were refurbished to create new premises for the School of Leisure and Food Management (now Sport and Leisure Management), complete with industry standard food laboratories, another stage in the ongoing improvement to the University’s facilities for learning and teaching.

Events highlights during the year included, in September 1999, the British Association Festival of Science, co-hosted with the University of Sheffield. Sheffield Hallam hosted the youth programme, managed by the University’s Centre for Science Education, and it attracted thousands of young visitors to events, lectures, workshops and exhibitions at the University.

In January 2000 David Blunkett, Secretary of State for Education and Employment, opened the South Yorkshire Leadership Centre, one of Britain's first regional centres for training and development in school leadership, based in the School of Education.

¹ In October 1999 Biomedical Sciences in the School of Science and Mathematics scored 22 out of 24, in November 1999 Professions Allied to Medicine in the School of Health and Social Care scored 23 out of 24, and in April 2000 Physics and Business and Technology courses in the School of Science and Mathematics both scored 24 out of 24.

In May 2000 Professor Heinz Wolff was guest speaker at the first Friends of Sheffield Hallam University evening. In the audience were 200 University partners, supporters, contacts and honorary award holders. The evening included a large interactive exhibition showcasing many aspects of the University's latest work.

In June 2000 the first Chancellor's Conference, on a Creative Industries theme, attracted more than 150 delegates from all over the country and several speakers of international repute, including Lord Puttnam and Rich Gold of Xerox's Palo Alto Research Centre.

Finally, of many *personal achievements* by University staff during the year under review, two in particular deserve recognition here.

In January 2000 University Commissionaire Bob Wilkinson was awarded the MBE for services to education. In June 2000 Peter Hartley of the School of Cultural Studies won one of only 20 National Teaching Fellowships awarded to UK academics by the Higher Education Funding Council for England and the Department of Education Northern Ireland, recognising his outstanding work in curriculum development and research as well as his outstanding qualities as a teacher.

Financial Position

The University's Consolidated Income, Expenditure and Results for the year to 31 July 2000 are summarised as follows:

	2000 £000	1999 £000
Income	107,956	104,694
Expenditure	105,275	103,108
	<hr/>	<hr/>
Surplus on Continuing Operations	2,681	1,586
Surplus on Sale of Fixed Assets	-	1,186
	<hr/>	<hr/>
Surplus for the Year	2,681	2,772
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The University has continued to improve its financial position and has performed well in 1999/2000, achieving a budget surplus for the third consecutive year despite a further real terms reduction in the level of public funding. Total income has increased by 3.1% over the previous year with this growth being achieved across most income sources.

Revenue grants received from the three Funding Councils increased by 2.1%. Of particular note however is the growth in income from Research Grants and Contracts (29%) and Other Services Rendered (4.5%). The University recognises the need to broaden its funding base and to reduce its reliance on public funding. A new research and business development strategy has been adopted as a focus for the targeted growth in income from non-Funding Council sources and it is encouraging to see this strategy producing real financial benefits so quickly.

During the year, the Board of Governors has approved a revised financial framework, a key principle of which is that the University should aim to achieve an operating surplus of at least 3% of total income, in line with HEFCE guidelines, with a view to building up cash reserves for future investment in line with longer term strategic priorities. Good progress towards achieving this target has been made in the year. The increased income generated in the year, together with continued tight financial management, have enabled the University to increase its operating surplus from 1.5% to 2.5% of total income.

Total Funds have risen from £50.4m to £69.0m, although this increase is largely attributable to the inclusion within Total Funds of Deferred Capital Grants following the introduction of the new SORP. Within Total Funds, the Income and Expenditure Reserve improved by £3.2m to £24.0m.

Net Current Liabilities total £2.4m (1999 : £4.1m). This improvement is largely attributable to a £2.1m reduction in trade creditors to £3.3m, following the adoption of the CBI code of practice on prompt payment. Within Net Current Liabilities, current cash balances were £5.4m at 31 July 2000, £1.8m below the balances of £7.2m a year earlier. Despite the reduction in trade creditors and an increase in trade debtors, particularly student debt, cash generated from operating activities continued to remain strong, enabling a relatively small reduction in cash balances even after investment of c £7.8m in additions to the University's fixed asset base. Cash balances are expected to remain stable in the short term. Longer term borrowings remain largely unchanged at £27.9m.

The consolidated statements incorporate the results of the University's wholly owned subsidiary companies and of the Collegiate Charitable Trust. As already indicated these organisations undertake a variety of activities, including trading, premises refurbishment and equipment leasing. On turnover of £6.96m (1998/99 : £8.49m) they generated a pre-tax profit of £1.24m (1998/99 : £1.73m).

In 1999/2000, following the successful completion of the University's Business Expansion Schemes (BES), Collegiate Properties Limited, the company established to manage student residences on behalf of the BES companies, became dormant and this accounts for the reduction in both turnover and pre-tax profit generated by the subsidiary companies.

Employment of Disabled Persons

The University welcomes staff, students and visitors with disabilities. The University is committed to enabling access to employment, premises and facilities wherever possible and will make special arrangements and reasonable adjustments where appropriate to achieve this.

The University recognises that people's health and fitness change over time, due to the natural ageing process, illness, disability and/or accident. The University aims, as far as reasonably practicable, to help individuals to take up employment, continue to work and to return to work after periods of absence.

Employee Involvement

The University is working towards the Investors in People standard and 5 Departments have now achieved recognition. The University's Human Resources strategy is seeking to build a partnership approach with both trade union staff representatives and the University's staff overall to take it into the new millennium. A second staff experience survey was undertaken during 1999/2000, the results of which highlighted a number of positive factors together with a number of priority areas for improvement. Actions arising from the survey are being integrated with the business planning process and will be used to inform future development and investment decisions. The staff survey will be repeated biennially to ensure, inter alia, constant evaluation and adjustment of communications with staff.

Payment of Creditors

The University is fully committed to the prompt payment of its suppliers invoices and supports the Confederation of British Industry's (CBI) Prompt Payment Code. The University aims to pay invoices in accordance with agreed contractual conditions or, where no such specific conditions exist, within 30 days of receipt of goods or services or the presentation of a valid invoice, whichever is the later. To support this commitment, the University will monitor its performance on creditor payment against both sector and industry norms and report regularly to Governors thereon.

At 31 July 2000 trade creditors represented approximately forty one days purchases, a reduction of twenty six days from the July 1999 position.

Corporate Governance

In June 1998 the London Stock Exchange published the principles of Good Governance and Code of Best Practice ("the Combined Code") which consolidated the previous Cadbury, Greenbury and Hampel reports.

Whilst the University, (being a higher education corporation as defined under the Education Reform Act 1988) with charitable status, does not fall within the regulation of the London Stock Exchange, the Board of Governors intends to ensure that the University complies with the provisions of the code which can be applied to universities. In particular the Board of Governors is in the process of establishing the procedures necessary to implement the guidance on review of the effectiveness of internal controls (the Turnbull report) which was issued in September 1999 and which forms part of the Combined Code, as far as this can be applied to universities. The HEFCE's Accounts Direction to Higher Education Institutions for 2000/01 requires that all institutions should be in a position to make a full compliance statement covering all aspects of internal control as at year ending 31 July 2003.

As part of an on-going programme of work to improve its effectiveness the Board of Governors has introduced a structured training and development programme for Governors which includes an induction day for all new Governors.

Summary of the University's Structure of Corporate Governance

The University's Board of Governors comprises lay and academic persons appointed under the Instrument of Government of the University, the majority of whom are non-executive. The roles of Chairman and Deputy Chairman of the Board of Governors are separate from the role of the University's Chief Executive and Vice-Chancellor. The matters specifically referred to the Board of Governors for decision are set out in the Articles of Government of the University; by custom and under the Financial Memorandum with the Higher Education Funding Council for England, the Board of Governors holds to itself the responsibilities for the ongoing strategic direction of the University, approval of major developments and the receipt of regular reports from Executive Officers on the day-to-day operations of its business and its subsidiary companies. The Board of Governors meets four times a year and has several Committees. These comprise a Finance and Employment Committee, a Remunerations Committee, a Nominations Committee and an Audit Committee. All of these Committees are formally constituted with terms of reference and comprise mainly lay members of the Board of Governors, one of whom is designated to chair meetings. Governors are also represented on the Academic Board's Honorary Awards Committee.

The Finance and Employment Committee inter alia recommends to the Board of Governors the University's annual income and expenditure budget and monitors performance in relation to the approved budgets.

The policy implications of strategic developments in higher education as they affect the experience of University students are kept under review through a University Students Union Liaison Group and the Board of Governors has nominated one of its members as a student mentor, to maintain a line of communication on its behalf. The President of the Students Union is a member of the Board ex officio.

The Remunerations Committee determines the annual remuneration of senior staff. The Nominations Committee considers nominations for filling vacancies in the Board of Governors membership under the Instrument of Government. Such nominations are subject to the formal approval of the Board of Governors. The constitutions of the Remunerations and Nominations Committees have been reviewed and amended in the light of guidance from the Committee of University Chairmen.

The Audit Committee meets normally four times annually, with the External Auditors to discuss audit findings, and with the Internal Auditors to consider detailed internal audit reports and recommendations for the improvement of the University's systems of internal control, together with management's response and implementation plans. It also receives and considers reports from the Higher Education Funding Council for England as they affect the University's business and monitors adherence with the regulatory requirements. 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. The Committee meets with the External and Internal Auditors in private without University management to enable them to raise any issues and concerns. This meeting is formally included on the agenda once a year but members of the Committee and the auditors may discuss pressing matters at any time via the Committee Chairman.

Responsibilities of the University's Board of Governors

In accordance with the Education Reform Act 1988 and the Articles of Government, the Board of Governors is responsible for the administration and management of the affairs of the University and its subsidiary companies (Group) and is required to present audited financial statements for each financial year.

The Board of Governors is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and to enable it to ensure that the financial statements are prepared in accordance with the University's Articles of Government, the Statement of Recommended Practice on Accounting for Further and Higher Education and other relevant accounting standards. In addition, within the terms and conditions of a Financial Memorandum agreed between the Higher Education Funding Council for England and the Board of Governors of the University, the Board of Governors, through its designated office holder, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the surplus or deficit and cash flows for that year.

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

- suitable accounting policies are selected and applied consistently
- judgements and estimates are made that are reasonable and prudent
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- it is appropriate for the financial statements to be prepared on the going concern basis.

The Board of Governors has taken reasonable steps to

- ensure that funds from the Higher Education Funding Council for England, Further Education Funding Council and Teacher Training Agency, grants and income for specific purposes and from other restricted funds administered by the Sheffield Hallam University have been applied only for the purposes for which they were received and in accordance with the Financial Memoranda with the Funding Councils and any other conditions which the Funding Councils 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 Group and prevent and detect fraud and other irregularities
- secure the economical, efficient and effective management of the Group's resources and expenditure.

Internal Financial Controls

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
- a formalised treasury management policy
- comprehensive Financial Regulations detailing financial controls and procedures
- a professional Internal Audit team whose annual programme is approved by the Audit Committee.

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

Going Concern

After making enquiries the Board of Governors has a reasonable expectation that the University has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the Financial Statements.

Auditors

The Board of Governors appointed KPMG to undertake the audit of the University for the year to 31 July 2000.

KPMG have expressed their willingness to continue in office as the University's auditors and a resolution proposing their re-appointment has been approved by the Audit Committee.

P Jagger
Deputy Chair of the Board of Governors

D M Green
Vice-Chancellor

7 December 2000

Report of the Auditors to the Board of Governors of Sheffield Hallam University

We have audited the financial statements on pages 10 to 33, which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and in accordance with the accounting policies set out on pages 15 to 17.

Respective Responsibilities of the Board of Governors and Auditors

The Board of Governors is 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 for Further and Higher Education. We also report to you whether, in all material respects, 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 University's Instrument and Articles of Government and, where appropriate, with the Financial Memorandum with the Higher Education Funding Council for England and with the Funding Agreements with the Further Education Funding Council and the Teacher Training Agency.

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

Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board and the Audit Code of Practice issued by the Higher Education Funding Council for England. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Board of Governors in the preparation of the financial statements and of whether the accounting policies are appropriate to the University's circumstances, consistently applied and adequately disclosed.

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

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 at 31 July 2000 and of the surplus of income over expenditure and cash flows of the Group for the year then ended and have been properly prepared in accordance with the Statement of Recommended Practice on Accounting for Further and Higher Education;
- b) in all material respects income for the year ended 31 July 2000 from the Higher Education Funding Council for England, the Further Education Funding Council and the Teacher Training Agency, grants and income for specific purposes and from other restricted funds administered by the University have been applied for the purposes for which they were received; and
- c) in all material respects, income for the year ended 31 July 2000 has been applied in accordance with the University's Instrument and Articles of Government, Financial Regulations and, where appropriate, with the Financial Memorandum dated 1 July 1997 with the Higher Education Funding Council for England and the Terms and Conditions of Funding with the Further Education Funding Council and the Teacher Training Agency.

KPMG
Chartered Accountants and Registered Auditors
Leeds

8 December 2000

SHEFFIELD HALLAM UNIVERSITY
CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 July 2000

	Note	2000 £000	1999 £000
INCOME			
Funding Council grants	2	58,034	57,470
Academic fees and support grants	3	29,886	28,045
Research grants and contracts	4	5,986	4,645
Other operating income	5	13,620	13,637
Surplus on disposal of fixed assets		-	1,186
Endowment income and interest receivable	6	430	897
		<hr/>	<hr/>
Total income		107,956	105,880
		<hr/>	<hr/>
EXPENDITURE			
Staff costs	7	67,214	61,890
Depreciation	8	7,258	7,388
Other operating expenses	9	28,982	29,208
Interest payable	10	1,821	4,622
		<hr/>	<hr/>
Total expenditure		105,275	103,108
		<hr/>	<hr/>
Surplus after depreciation of assets at valuation and before tax		2,681	2,772
Taxation		-	-
		<hr/>	<hr/>
Surplus after depreciation of assets at valuation and tax		2,681	2,772
		<hr/> <hr/>	<hr/> <hr/>

All results are from continuing operations.

SHEFFIELD HALLAM UNIVERSITY
CONSOLIDATED BALANCE SHEET

as at 31 July 2000

	Note	2000 £000	2000 £000	1999 £000	1999 £000
FIXED ASSETS					
Tangible assets	11	99,953		99,423	
Investments	13	<u>42</u>	99,995	<u>42</u>	99,465
ENDOWMENT ASSET INVESTMENTS					
	14		221		226
CURRENT ASSETS					
Stocks and stores in hand		188		149	
Debtors	15	9,660		8,066	
Short term deposits		5,653		6,946	
Cash at bank and in hand		<u>261</u>		<u>257</u>	
		<u>15,762</u>		<u>15,418</u>	
CREDITORS - amounts falling due within one year					
	16	<u>18,164</u>		<u>19,519</u>	
NET CURRENT LIABILITIES			<u>(2,402)</u>		<u>(4,101)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			97,814		95,590
CREDITORS - amounts falling due after more than one year					
	17	27,918		28,043	
PROVISIONS FOR LIABILITIES AND CHARGES					
	18	<u>879</u>	<u>28,797</u>	<u>1,695</u>	<u>29,738</u>
TOTAL NET ASSETS			<u>69,017</u>		<u>65,852</u>
Represented by :-					
DEFERRED CAPITAL GRANTS					
	19		15,907		15,418
ENDOWMENTS					
Specific	14		221		226
RESERVES					
Revaluation reserve	20	28,914		29,361	
Income and expenditure	21	<u>23,975</u>	<u>52,889</u>	<u>20,847</u>	<u>50,208</u>
TOTAL FUNDS			<u>69,017</u>		<u>65,852</u>

The financial statements on pages 10 to 33 were approved on behalf of the Board of Governors on 7 December 2000.

SHEFFIELD HALLAM UNIVERSITY

UNIVERSITY BALANCE SHEET

as at 31 July 2000

	Note	2000 £000	2000 £000	1999 £000	1999 £000
FIXED ASSETS					
Tangible assets	12	95,404		96,540	
Investments	13	<u>15,807</u>	111,211	<u>15,807</u>	112,347
ENDOWMENT ASSET INVESTMENTS					
	14		221		226
CURRENT ASSETS					
Stocks and stores in hand		188		149	
Debtors	15	22,401		20,882	
Short term deposits		5,248		6,576	
Cash at bank and in hand		150		221	
		<u>27,987</u>		<u>27,828</u>	
CREDITORS - amounts falling due within one year					
	16	<u>21,104</u>		<u>23,943</u>	
NET CURRENT ASSETS/ (LIABILITIES)					
Due within one year		3,040		(865)	
Due after more than one year		<u>3,843</u>	<u>6,883</u>	<u>4,750</u>	<u>3,885</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			118,315		116,458
CREDITORS - amounts falling due after more than one year					
	17	51,819		51,951	
PROVISIONS FOR LIABILITIES AND CHARGES					
	18	<u>879</u>	<u>52,698</u>	<u>1,695</u>	<u>53,646</u>
TOTAL NET ASSETS			<u>65,617</u>		<u>62,812</u>
Represented by :-					
DEFERRED CAPITAL GRANTS					
	19		15,907		15,418
ENDOWMENTS					
Specific	14		221		226
RESERVES					
Revaluation reserve	20	28,914		29,361	
Income and expenditure	21	<u>20,575</u>	<u>49,489</u>	<u>17,807</u>	<u>47,168</u>
TOTAL FUNDS			<u>65,617</u>		<u>62,812</u>

The financial statements on pages 10 to 33 were approved on behalf of the Board of Governors on 7 December 2000.

P Jagger, Deputy Chair of the Board of Governors D M Green, Vice-Chancellor

SHEFFIELD HALLAM UNIVERSITY

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

for the year ended 31 July 2000

	Note	2000 £000	1999 £000
Surplus after depreciation of assets at valuation and tax		2,681	2,772
New Endowments	14	11	10
Endowment income retained for year	14	(16)	34
		<hr/>	<hr/>
Total recognised gains relating to the year		2,676	2,816
		<hr/> <hr/>	<hr/> <hr/>

NOTE OF HISTORICAL COST SURPLUSES AND DEFICITS

for the year ended 31 July 2000

	Note	2000 £000	1999 £000
Surplus after depreciation of assets at valuation and tax		2,681	2,772
Difference between an historical cost depreciation charge/fixed asset writedown and the actual depreciation charge for the year calculated on the revalued amount	20	447	381
		<hr/>	<hr/>
Historical cost surplus after tax		3,128	3,153
		<hr/> <hr/>	<hr/> <hr/>

SHEFFIELD HALLAM UNIVERSITY
CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 July 2000

	Note	2000 £000	1999 £000
Cash inflow from operating activities	25	5,236	9,728
Return on investments and servicing of finance	27	(1,407)	(3,691)
Capital expenditure and financial investment	28	(5,530)	19,424
Cash inflow/(outflow) before use of liquid resources and financing		(1,701)	25,461
Management of liquid resources		1,298	1,663
Financing		(121)	(25,811)
Increase in Cash		(524)	1,313
 Reconciliation of net cash flow to movement in net debt			
Increase in cash in the period		(524)	1,313
(Decrease) in liquid resources		(1,298)	(1,663)
(Increase) in long term debt		-	(23,000)
Repayment of debt		121	48,811
New finance leases		-	-
Change in net debt		(1,701)	25,461
Net debt at 1 August		(20,735)	(46,196)
Net debt at 31 July	29	(22,436)	(20,735)

SHEFFIELD HALLAM UNIVERSITY

NOTES TO THE ACCOUNTS

1. Statement of Principal Accounting Policies

Accounting Convention

The financial statements of the University have been prepared under the historical cost convention, as modified by the revaluation of certain land and buildings, and in accordance with both the Statement of Recommended Practice : Accounting for Further and Higher Education (the SORP) issued in June 2000 and applicable Accounting Standards.

Basis of Consolidation

The consolidated financial statements consolidate the financial statements of the University and its wholly owned subsidiary undertakings (Sheffield Hallam University Enterprises Ltd, Collegiate Properties Ltd, Collegiate Properties (2) Ltd, Collegiate Properties (3) Ltd, O&N Contracting Ltd and Collegiate Library Services Limited) together with those of the Collegiate Charitable Trust.

The University and its subsidiaries prepare accounts to the 31 July.

The consolidated financial statements do not include those of the University's Union of Students as it is a separate legal entity in respect of which the University maintains controls at the minimum necessary level.

Recognition of Income

Income from Specific Endowments and Donations, Research Grants, Contracts and Other Services Rendered is included to the extent of the expenditure incurred during the year, together with any related contributions towards overhead costs. All income from short-term deposits is credited to the Income and Expenditure Account on a receivable basis.

Foreign Currencies

Transactions denominated in foreign currencies are recorded at the rate 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. The resulting exchange differences are dealt with in the determination of income and expenditure for the financial year.

Leases

Fixed assets held under finance leases and the related lease obligations are recorded in the Balance Sheet at the fair value of the leased assets on the inception of the lease. The excess of lease payments over recorded lease obligations are treated as finance charges which are amortised over each lease term to give a constant rate of charge on the remaining balance of the obligations.

Rental costs under operating leases are charged to expenditure in equal annual amounts over the periods of the leases.

Land and Buildings

Land and buildings were revalued at 31 March 1992 on the basis of current market value for continuation of existing use where appropriate. Where buildings are in specialist use and there is no general market value then the valuation was carried out on the basis of depreciated replacement cost, in accordance with the Royal Institution of Chartered Surveyors Guidance Notes concerning asset valuation. Land and buildings acquired since 31 March 1992 are included at cost.

The University has adopted the transitional provisions of Financial Reporting Standard (FRS) 15 and has determined not to subsequently revalue its Fixed Assets from the amounts currently included within the Financial Statements.

Equipment

Designated equipment financed from Funding Council grants and other equipment costing £5,000 or more is capitalised and shown at cost.

Depreciation

Buildings

Depreciation on new and existing buildings is provided on a straight line basis over their expected useful lives, generally 50 years. It is provided on structural additions over the remaining useful life, and on major refurbishments over 10 years.

Leased Buildings

The fitting out costs of leased buildings are depreciated over the lesser of the assets' lives or the expected occupancy period.

Other Tangible Fixed Assets

Furniture and fittings for new and refurbished buildings are depreciated on a straight line basis over 5 years. Other capital equipment is similarly depreciated, generally over 4 years.

Grants

Where assets are acquired with the aid of specific grants the relevant grants are treated as deferred capital grants and released to the Income and Expenditure account over the same period as the relevant assets are depreciated.

Stocks

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

Cash Flows and Liquid Resources

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

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

Taxation 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) of the Taxes Act 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 Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied exclusively to 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 in the same way as any commercial organisation.

Pension Costs

The University/Group operates pension schemes providing benefits based on final pensionable pay. The assets of the schemes are held separately from those of the Group, being invested with insurance companies. Contributions to the scheme are charged to the Income and Expenditure Account so as to spread the cost of pensions over employees' working lives with the University/Group.

2. Funding Council Grants

	2000 £000	1999 £000
Higher Education Funding Council for England	51,549	50,382
Teacher Training Agency	5,201	5,130
Further Education Funding Council	50	112
Deferred capital grants released in year (Note 19)		
Buildings	969	837
Equipment	265	1,009
	<hr/> 58,034 <hr/>	<hr/> 57,470 <hr/>

3. <u>Academic Fees and Support Grants</u>	2000	1999
	£000	£000
Full-time and sandwich students	19,690	19,014
Full-time students charged overseas fees	3,117	2,655
Part-time and short course fees	7,079	6,376
	<hr/>	<hr/>
	29,886	28,045
	<hr/>	<hr/>
4. <u>Research Grants and Contracts</u>	2000	1999
	£000	£000
Grants and contracts	5,986	4,645
	<hr/>	<hr/>
5. <u>Other Operating Income</u>	2000	1999
	£000	£000
Residences, catering and conferences	4,886	4,524
Other services rendered	5,212	4,987
Other income	3,522	4,126
	<hr/>	<hr/>
	13,620	13,637
	<hr/>	<hr/>
6. <u>Endowment Income and Interest Receivable</u>	2000	1999
	£000	£000
Transferred from specific endowments (Note 14)	43	11
Income from short term investments	387	530
Other interest receivable	-	356
	<hr/>	<hr/>
	430	897
	<hr/>	<hr/>

7. **Staff**

<u>Staff Costs</u>	2000 £000	1999 £000
Wages and salaries	58,875	54,320
Social Security costs	4,319	3,977
Other pension costs	4,020	3,593
	<hr/>	<hr/>
	67,214	61,890

<u>Emoluments of the Vice-Chancellor</u>	2000 £000	1999 £000
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The emoluments of the Vice-Chancellor are shown excluding employer's pension and National Insurance contributions.

	105	101
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The University's related employer's pension contributions are paid on a similar basis to other relevant staff and amounted to £7,600 (1999 : £7,200).

Remuneration of other higher paid staff, excluding employer's pension contributions, fall within the following bands:

	2000	1999
£50,000 - £59,999	11	9
£60,000 - £69,999	5	1
£70,000 - £79,999	1	-
£80,000 - £89,999	1	1

The average number of persons employed during the year was made up as follows:

	2000	1999
School/Research Institute based	1,583	1,504
Academic support departments	260	240
Administration	503	470
Other	247	241
	<hr/>	<hr/>
	2,593	2,455

The staff numbers are full time equivalents. Academic support departments mainly comprise staff of Corporate Information Systems and the Learning Centre.

8. **Depreciation**

	2000 £000	1999 £000
The depreciation charge has been funded by:		
Deferred capital grants released (Note 19)	1,758	2,481
General income	5,053	4,526
Revaluation reserve released (Note 20)	447	381
	<hr/>	<hr/>
	7,258	7,388
	<hr/>	<hr/>

9. **Other Operating Expenses**

	2000	1999
	£000	£000
Residences, catering and conferences	2,070	1,965
Consumables and laboratory expenditure	4,357	4,371
Books and periodicals	1,400	1,368
Heat, light, water and power	966	942
Repairs and general maintenance	1,200	1,704
Contribution to city developments	-	500
Grants to Sheffield Hallam University Union of Students	589	1,278
Rents	686	1,238
Auditors' remuneration - Audit	31	19
- Other services	32	9
Equipment operating lease rentals	352	254
Other expenses	17,299	15,560
	<hr/>	<hr/>
	28,982	29,208
	<hr/>	<hr/>

Costs of £2.36m (1999 : £2.24m) in respect of residences, catering and conferences staff are included within employee costs (Note 7).

10. **Interest Payable**

	2000	1999
	£000	£000
Bank and other loans wholly repayable within five years	-	936
Loans not wholly repayable within five years	1,809	1,047
Finance leases	12	639
Early settlement costs	-	2,000
	<hr/>	<hr/>
	1,821	4,622
	<hr/>	<hr/>

11. **Tangible Fixed Assets**

	<u>Land and Buildings</u>			<u>Assets in Course of Construction</u>	<u>Equipment</u>	<u>Total</u>
	<u>Freehold</u>	<u>Long Leasehold</u>	<u>Short Leasehold</u>			
	£000	£000	£000	£000	£000	£000
Consolidated						
Cost or Valuation						
At 1 August 1999						
Valuation	34,305	-	-	-	-	34,305
Cost	74,820	136	2,701	-	36,952	114,609
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Additions at cost	4,126	-	-	1,199	2,463	7,788
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 July 2000						
Valuation	34,305	-	-	-	-	34,305
Cost	78,946	136	2,701	1,199	39,415	122,397
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation						
At 1 August 1999	16,309	6	2,400	-	30,776	49,491
Charge for year	3,939	1	75	-	3,243	7,258
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 July 2000	20,248	7	2,475	-	34,019	56,749
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net Book Value						
At 31 July 2000	93,003	129	226	1,199	5,396	99,953
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 1 August 1999	92,816	130	301	-	6,176	99,423
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The land and buildings were revalued as at 31 March 1992 by Fuller Peiser, Property Consultants in accordance with the fixed assets accounting policy outlined in Note 1.

Included in the total net book value of tangible fixed assets is £0.12m. (1999 : £0.23m) in respect of assets held under finance leases. Depreciation for the year on these assets was £0.11m (1999 : £0.12m).

12. **Tangible Fixed Assets**

	<u>Land and Buildings</u>			<u>Assets in Course of Construction</u>	<u>Equipment</u>	<u>Total</u>
	<u>Freehold</u>	<u>Long Leasehold</u>	<u>Short Leasehold</u>			
	£000	£000	£000	£000	£000	£000
University						
Cost or Valuation						
At 1 August 1999						
Valuation	34,305	-	-	-	-	34,305
Cost	59,055	15,901	2,701	-	36,649	114,306
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Additions at cost	4,126	-	-	-	2,447	6,573
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 July 2000						
Valuation	34,305	-	-	-	-	34,305
Cost	63,181	15,901	2,701	-	39,096	120,879
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation						
At 1 August 1999	14,419	4,734	2,400	-	30,518	52,071
Charge for year	3,624	789	75	-	3,221	7,709
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 July 2000	18,043	5,523	2,475	-	33,739	59,780
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net Book Value						
At 31 July 2000	79,443	10,378	226	-	5,357	95,404
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 1 August 1999	78,941	11,167	301	-	6,131	96,540
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The land and buildings were revalued as at 31 March 1992 by Fuller Peiser, Property Consultants in accordance with the fixed assets accounting policy outlined in Note 1.

13. **Investments**

	Consolidated		University	
	2000	1999	2000	1999
	£000	£000	£000	£000
Fixed Asset Investments				
Investment in subsidiary companies at cost	-	-	9,750	9,750
Loan to Collegiate Properties (2) Ltd	-	-	6,015	6,015
Other investments	42	42	42	42
	42	42	15,807	15,807

Subsidiary Undertakings

	Principal Activity	Country of Registration	Percentage of Ordinary Shares Held
Collegiate Library Services Limited	Provision of library services to the University	England and Wales	100
Collegiate Properties Limited	Dormant	England and Wales	100
Collegiate Properties (2) Limited	Contracting and property leasing	England and Wales	100
Collegiate Properties (3) Limited	Equipment leasing	England and Wales	100
O&N Contracting Limited	Property leasing	England and Wales	100
Sheffield Hallam University Enterprises Limited	Non-property related trading activities	England and Wales	100
Virtual Learning Systems Limited	Dormant	England and Wales	100

The University also consolidates the Collegiate Charitable Trust. The Trust's financial statements are prepared to 31 July 2000.

14. **Endowment Assets**

Consolidated and University

	£000
At 1 August 1999	226
Additions	11
Income for year	27
Transferred to Income and Expenditure account (Note 6)	(43)
	<hr/>
At 31 July 2000	221
	<hr/>
Representing	
Prize funds	129
Other funds	92
	<hr/>
	221
	<hr/>

The University's fixed asset endowments are held as short term cash deposits.

15. **Debtors**

	Consolidated		University	
	2000	1999	2000	1999
	£000	£000	£000	£000
Amounts falling due within one year:				
Trade debtors	6,202	3,842	5,476	3,553
Amounts owed by group undertaking	-	-	7,803	6,098
Prepayments and accrued income	3,458	4,224	5,279	6,481
	<hr/>	<hr/>	<hr/>	<hr/>
	9,660	8,066	18,558	16,132
Amounts falling due after one year				
Prepayments to group undertakings	-	-	3,843	4,750
	<hr/>	<hr/>	<hr/>	<hr/>
	9,660	8,066	22,401	20,882
	<hr/>	<hr/>	<hr/>	<hr/>

In the financial year 1996/97 the University entered into a contract with Collegiate Properties (2) Limited (CP2L) to carry out refurbishment work on certain of the University's buildings. The University prepaid the whole of the works amounting to £15 million, which was immediately lent back by CP2L with interest at 1% per annum above LIBOR, payable quarterly. The prepayment is reduced as refurbishment work is carried out by CP2L, consequently the loan from CP2L to the University is also reduced, by the value of the work undertaken.

16. **Creditors: Amounts Falling Due Within One Year**

	Consolidated		University	
	2000	1999	2000	1999
	£000	£000	£000	£000
Bank overdrafts	528	-	528	-
Obligations under finance leases	125	121	1,155	835
Payments received on account	4,490	3,350	4,776	3,476
Trade creditors	3,290	5,423	3,269	4,474
Social security and other taxation payable	2,262	2,352	1,745	2,347
Accruals and deferred income	7,469	8,273	7,896	9,211
Amounts owed to group undertakings	-	-	1,735	3,600
	18,164	19,519	21,104	23,943

17. **Creditors : Amounts Falling Due After More Than One Year**

	Consolidated		University	
	2000	1999	2000	1999
	£000	£000	£000	£000
Loans repayable secured on residential and other property				
Between one and five years Secured loan		-		-
Over five years Secured loans	27,900	27,900	27,900	27,900
Unsecured loans repayable				
Between one and five years Group undertakings	-	-	3,843	4,750
Obligations under finance leases				
Between one and five years Equipment	18	143	3,885	2,999
Over five years:				
Equipment		-	426	537
Buildings		-	-	-
Leasehold obligation to group undertaking		-	15,765	15,765
	27,918	28,043	51,819	51,951

18. **Provisions for Liabilities and Charges**

Consolidated and University

	Property related provisions £000	Pensions £000	Total £000
At 1 August 1999	1,268	427	1,695
Utilised in year	(860)	(37)	(897)
Released in year	(30)	-	(30)
Income and Expenditure account	-	111	111
	<hr/>	<hr/>	<hr/>
At 31 July 2000	378	501	879
	<hr/>	<hr/>	<hr/>

The provision of £0.378m comprises:-

- i) £0.17m in respect of an onerous contract as defined under FRS 12, which will be fully utilised by November 2000.
- ii) £0.2m in respect of a constructive obligation to contribute towards developments that will enhance the environs within which the University's main campus is located.

The pensions provision is in respect of pension enhancements payable on behalf of staff who have taken early retirement.

19. **Deferred Capital Grants**

Consolidated and University

	Funding Councils £000	Other Grants £000	2000 Total £000	1999 Total £000
At 1 August				
Buildings	11,896	1,724	13,620	14,025
Equipment	1,201	597	1,798	3,141
Total	13,097	2,321	15,418	17,166
Cash Received				
Buildings	2,047	-	2,047	677
Equipment	-	200	200	56
Total	2,047	200	2,247	733
Released to Income and Expenditure account				
Buildings	969	163	1,132	1,082
Equipment	265	361	626	1,399
Total	1,234	524	1,758	2,481
At 31 July				
Buildings	12,974	1,561	14,535	13,620
Equipment	936	436	1,372	1,798
Total	13,910	1,997	15,907	15,418

20. **Revaluation Reserve**

Consolidated and University

	2000 £000	1999 £000
Balance brought forward at 1 August	29,361	32,875
Release in respect of assets sold in year	-	(3,133)
Release to Income and Expenditure reserve equivalent to depreciation on revaluation	(447)	(381)
Balance at 31 July	28,914	29,361

21. **Income and Expenditure Reserve**

	Consolidated £000	University £000
Surplus after depreciation of assets at valuation and tax	2,681	2,321
Release from revaluation reserve	447	447
	<hr/>	<hr/>
	3,128	2,768
Balance at 1 August 1999	20,847	17,807
	<hr/>	<hr/>
Balance at 31 July 2000	23,975	20,575
	<hr/>	<hr/>

22. **Pension Costs**

The two principal pension schemes for the University's staff are the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). Additionally, the University has agreed with the Universities Superannuation Scheme (USS) that, with effect from 1 August 2000, any employee joining the University who is an existing USS member shall be permitted to retain that membership. The assets of the schemes are held in separately administered funds. The schemes are defined benefit schemes which are externally funded. They are valued every three years for LGPS, every five years for TPS and by actuaries using the projected unit method, the rates of contribution payable being determined by the actuary with the approval of the administering authority. TPS provides benefits based on final pensionable salary for academic staff. LGPS provides similar benefits based on final pensionable salary for academic staff and support staff, including research and manual staff, subject to the rules of eligibility. The assumptions and other data which have the most significant effect on the determination of the contribution levels are as follows:

	TPS	LGPS
Latest actuarial valuations	31.3.96	31.3.98
Excess of projected investment returns over salary increases per annum	2.0%	2.5%
Pension increases per annum	3.5%	4%
Market value of assets at date of last valuation	£61,710m	£2,009m
Proportion of the members' accrued benefits covered by the actuarial value of the assets.	94%	90%

Following judgements of the European Court of Justice (ECJ) that excluding part-time staff from pension schemes amounted to discrimination, and the resulting changes in UK legislation, a liability in respect of the cost of providing backdated pension benefits may arise in the University. This would apply to benefits for those part-time staff who have or may elect for retrospective membership of the two principal pension schemes.

Some 40,000 claims nationally were lodged and following a series of test cases, clarification was sought from the UK courts and the ECJ. The ECJ made a series of rulings in May 2000 which have subsequently been referred to the House of Lords whose decision is expected in early 2001. The vast majority of the claims lodged remain stayed pending the outcome of the House of Lords ruling and it is therefore not possible to fully assess the implications of the ECJ decisions. In view of this uncertainty, and the fact that no claims have been lodged against the University, no financial provision has been made in these accounts in relation to this matter.

23. **Lease Obligations**

	Consolidated		University	
	2000	1999	2000	1999
	£000	£000	£000	£000
The net finance lease obligations to which the University is committed are:				
Within one year	125	121	1,155	735
Between one and five years	18	143	3,885	2,999
Over five years	-	-	16,191	16,302
	143	264	21,231	20,036
Operating lease commitments for the financial year, on leases expiring:				
Within one year	29	163	29	163
Between one and five years	392	288	392	288
Over five years	829	828	3,137	3,128
	1,250	1,279	3,558	3,579

24. **Capital Commitments**

	Consolidated		University	
	2000	1999	2000	1999
	£'000	£'000	£'000	£'000
Commitments contracted at 31 July	1,007	1,180	-	-
Authorised but not contracted at 31 July	2,752	6,460	2,752	6,460
	3,759	7,640	2,752	6,460

25. **Reconciliation of Consolidated Operating Surplus to Net Cash from Operating Activities**

	2000	1999
	£000	£000
Operating surplus	2,681	2,772
Depreciation	7,258	7,388
Deferred capital grants released to income	(1,758)	(2,481)
Investment income	(430)	(897)
Interest payable	1,821	4,622
(Increase) in stocks	(39)	(26)
(Increase) in debtors	(1,594)	(1,893)
(Decrease)/increase in creditors	(1,887)	3,018
(Decrease) in provisions	(816)	(1,589)
Profit on sale of fixed assets	-	(1,186)
	<hr/>	<hr/>
Net Cash Inflow from Operating Activities	5,236	9,728
	<hr/>	<hr/>

26. **Analysis of Changes in Consolidated Financing During the Year**

	<u>Finance</u>	<u>Mortgages</u>	<u>Business</u>
	<u>Leases</u>	<u>& Loans</u>	<u>Expansion</u>
	£000	£000	Scheme Loans
	£000	£000	£000
Balances at 31 July 1998	8,866	19,512	25,597
	<hr/>	<hr/>	<hr/>
New leases/loans	-	23,000	173
Capital repayments	(8,602)	(14,612)	(25,770)
	<hr/>	<hr/>	<hr/>
Net amount acquired/(repaid) in year	(8,602)	8,388	(25,597)
	<hr/>	<hr/>	<hr/>
Balances at 31 July 1999	264	27,900	-
	<hr/>	<hr/>	<hr/>
New leases/loans	-	-	-
Capital repayments	(121)	-	-
	<hr/>	<hr/>	<hr/>
Net amount acquired/(repaid) in year	(121)	-	-
	<hr/>	<hr/>	<hr/>
Balances at 31 July 2000	143	27,900	-
	<hr/>	<hr/>	<hr/>

27. **Returns on Investments and Servicing of Finance**

	2000 £000	1999 £000
Income from endowments	27	45
Income from short term investments	387	886
Interest paid	(1,821)	(4,622)
	<hr/>	<hr/>
	(1,407)	(3,691)
	<hr/>	<hr/>

28. **Capital Expenditure and Financial Investment**

	2000 £000	1999 £000
Tangible assets acquired	(7,788)	(10,037)
Investment to meet BES obligations	-	(177)
Realisation of investment to meet BES obligations	-	24,531
Receipts from sale of fixed assets	-	4,364
	<hr/>	<hr/>
	(7,788)	18,681
	<hr/>	<hr/>
Deferred capital grants received	2,247	733
Endowments received	11	10
	<hr/>	<hr/>
	2,258	743
	<hr/>	<hr/>
	(5,530)	19,424
	<hr/>	<hr/>

29. **Analysis of changes in Net Debt**

	1999 Consolidated £000	Cash Flows £000	2000 Consolidated £000
Cash at bank and in hand	257	(524)	(267)
Endowment bank balance	226	(5)	221
	<hr/>	<hr/>	<hr/>
	483	(529)	(46)
Debt due over more than 1 year			
Long term loans	(27,900)	-	(27,900)
Obligations under finance leases	(143)	125	(18)
Debt due under 1 year			
Obligation under finance leases	(121)	(4)	(125)
Short term deposits	6,946	(1,293)	5,653
	<hr/>	<hr/>	<hr/>
	(20,735)	(1,701)	(22,436)
	<hr/>	<hr/>	<hr/>

30. **Access Funds**

	2000 £000	1999 £000
Funding Council Access grants	1,271	826
Interest earned	<hr/> 15	<hr/> 10
	1,286	836
Disbursed to students	(1,266)	(836)
Disbursements in 2000/01	(20)	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

Funding Council grants are available solely for students, with the University acting only as a paying agent. The grants and related disbursements are therefore excluded from the Income and Expenditure Account.

31. **Related Party Transactions**

The Governors have considered the requirements of FRS8 : Related Party Disclosures which apply to these financial statements. The standard requires disclosure of, inter alia, transactions with related parties of the University.

In the normal course of business the University transacts with private and public sector organisations at certain of which Governors and senior managers of the University are directors, officers or partners. All such transactions are undertaken on an arm's length basis in accordance with normal agreements with customers and suppliers. The Governors do not consider that disclosure of transactions with such organisations is required under the standard because none of the Governors or senior managers, or members of their close family, have a controlling interest in the organisations in which they are employees or partners.

Nonetheless the Governors consider it appropriate to disclose transactions where, for example, a parent company directorship or partner status in a professional firm is involved. Those instances are as follows for the period covered by the Financial Statements.

Mr Howard Culley, a Governor, was associated with Irwin Mitchell, Solicitors, which provided professional services to the University. Payments during the year in respect of such services amounted to £28,785.

Mr Quentin Thompson, a co-opted Governor, was associated with Coopers and Lybrand (now PricewaterhouseCoopers), Chartered Accountants, which provided professional services to the University. All such services were completely unconnected with Mr Thompson and were undertaken by a different part of the firm. Payments during the year in respect of such services totalled £138,473.

The University maintains a register of Governors' and senior managers' interests which is available for inspection at the University's Planning Support Office.

BOARD OF GOVERNORS

FOR THE YEAR ENDED 31 JULY 2000

Rebecca Burnsall (Student Nominee July 1999 – June 2000)

Christopher Chapman

W Angus Clark

Howard Culley

Pamela Gordon

Diana Green

Susan Green

Richard Gregory (Chair)

Cathy Hamlyn

Paul Jagger

Nicholas Jeffrey

Liz Kerry

Bob Kerlake

Pam Liversidge

Shahid Malik

Jane Mardell

Anthony Meehan

Ruth Sayers (Student Nominee July 1999 – June 2000)

Hilary Spencer

Martin Taylor

Quentin Thompson

Paul Watson (Student Nominee July 2000 – June 2001)

Dawn Yates (Student Nominee July 2000 – June 2001)