

*Reports and  
Financial Statements  
of the University Court*

*For the year to 31 July 2002*

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*University of St Andrews*



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## MEMBERSHIP OF THE UNIVERSITY COURT AND COMMITTEES

### **The Rector, President**

Mr A. F. Neil

### **Senior Governor and Vice-President**

Dr J. D. O. Morris (*co-opted member, elected Court Senior Governor until 31 July 2002*)

### **The Principal**

Dr B. A. Lang

### **The Deputy Principal and Master of the United College of St. Salvator and St. Leonard**

Professor C. A. Vincent

### **The Chancellor's Assessor**

Emeritus Professor D. B. Thomas

### **The Rector's Assessor**

Mr C. Davis

### **Fife Council**

Mr T. M. Dair, Convener

Mr A. D. Arbuckle, Convener's Nominee\* (until 22 May 2002)

### **Assessors of the General Council**

Mr J. F. Matthews\* (until 22 May 2002, from which date, became a co-opted member)

Mr D. S. Mundie\* (until 22 May 2002, from which date, became a co-opted member)

Mr W. Berry (*elected Court Senior Governor from 1 August 2002*)

Mrs C. A. M. Davis

### **Assessors of the Senatus Academicus**

Miss A. J. Kettle

Professor R. A. Piper

Dr F. G. Riddell

Professor P. Winn

### **Student Representatives**

Ms D. Green (until 30 June 2002)

Mr R. O'Hare (from 1 July 2002)

Mr T. Plant\* (from 22 May 2002 until 30 June 2002)

Mr M. Biagi\* (from 1 July 2002)

### **Co-opted Members**

Dr D. M. Cottam

Mr A. M. MacIntyre

Mrs J. C. Ogilvy

Miss K. M. Patrick

Mr G. R. C. Scott

### **Clerk of the Court**

Mr I. M. Wright

\* On the 22 May 2002, the Court received Privy Council approval of Ordinance 121, re-constituting the Court from the date of that approval. The main changes, reflected above, were: the reduction in Fife Council representation, from two members to one; the reduction of Senate Assessors from six to four; the co-option of two of the General Council Assessors, upon the reduction of their total number from four to two; and the addition of Students' Association Vice-President (Representation) to the number of ex-officio student representatives.

## MEMBERSHIP OF THE UNIVERSITY COURT AND COMMITTEES

### **Members**

#### **ACADEMIC AUDIT COMMITTEE**

Professor R A Piper (Convener)  
The Vice-Principal (Teaching)  
The Dean of Arts  
The Dean of Science  
The Vice President (Rep) Students' Association  
Dr S Van Heyningen  
*Secretary : the Director of Academic Audit*

#### **AUDIT COMMITTEE**

Mr D S Mundie (Convener)  
Mr R S Murray  
Mrs J C Ogilvy  
Mr G R C Scott  
Professor D B Thomas  
*Secretary : the Clerk of Court*

#### **EQUAL OPPORTUNITIES COMMITTEE**

Mrs C A M Davis (Convener)  
The Master  
The Convener, Equal Opportunities Forum  
The Convener, Staff Committee  
The Convener, Student Services Committee  
Ms A J Kettle  
Dr S M Nutley  
Mr T R Plant (until 30 June 2002)  
Mr M Biagi (from 1 July 2002)  
*Secretary : the Director of Human Resources*

#### **FINANCE COMMITTEE**

Mr J F Matthews (Convener)  
The Principal  
The Quaestor & Factor  
Mr A D Arbuckle (until 22 May 2002)  
Miss K M Patrick  
Dr M M A La Manna  
Mr W Berry (from 14 December 2001)  
Professor J A Beath (from 14 December 2001)  
*Secretary : the Controller*

#### **INFORMATION POLICY COMMITTEE**

Dr F G Riddell (Convener)  
The Vice-Principal (Information)  
Dr D M Cottam  
Dr M P Vysny  
Ms D Green (until 30 June 2002)  
Mr R O'Hare (from 1 July 2002)  
*Secretary : the Librarian*

#### **NOMINATIONS COMMITTEE**

Dr J D O Morris (Convener)  
The Principal  
The Rt. Hon. Menzies Campbell  
Mrs C A M Davis  
Professor P Winn  
Miss A J Kettle  
Mr T M Dair  
Professor R A Piper  
*Secretary : the Clerk of Court*

### **Capacity**

Senate Assessor on Court  
ex officio  
ex officio  
ex officio  
ex officio  
External Assessor

Lay member of Court  
Court nominee  
Court nominee  
Court nominee  
Court nominee

Non-Exec member of Court  
ex officio  
ex officio  
ex officio  
ex officio  
Non-Exec member of Court  
Senate nominee  
Students' Association nominee  
Students' Association nominee

Lay member of Court  
ex officio  
ex officio  
Non-Exec member of Court  
Non-Exec member of Court  
Senate nominee  
Non-Exec member of Court  
Senate nominee

Non-Exec member of Court  
ex officio  
Non-Exec member of Court  
Senate nominee  
Students' Association nominee  
Students' Association nominee

Senior Governor  
ex officio  
External Court nominee  
Non-Exec member of Court  
Non-Exec member of Court  
Non-Exec member of Court  
Non-Exec member of Court  
Non-Exec member of Court

## MEMBERSHIP OF THE UNIVERSITY COURT AND COMMITTEES

<i>Members</i>	<i>Capacity</i>
<b>PLANNING AND RESOURCES COMMITTEE</b>	
The Principal (Convener)	ex officio
The Master	ex officio
The Dean of Arts	ex officio
The Dean of Science	ex officio
Convener, Finance Committee	ex officio
Convener, Information Policy Committee	ex officio
Convener, Staff Committee	ex officio
Convener, Student Services Committee	ex officio
Professor N V Richardson	Senate electee
Professor J A Beath	Senate electee
<i>Secretary : the Secretary &amp; Registrar</i>	
<b>REMUNERATION COMMITTEE</b>	
Dr J D O Morris (Convener)	Senior Governor
The Principal	ex officio
Mr A M MacIntyre	Lay member of Court
Miss K M Patrick	Lay member of Court
<i>Secretary : the Director of Human Resources</i>	
<b>RISK MANAGEMENT COMMITTEE</b>	
Mr W Berry (Convener)	Non-Exec member of Court
The Quaestor and Factor	ex officio
Dr D M Cottam	Non-Exec member of Court
Professor P Winn	Non-Exec member of Court
Professor A J Torrance	Senate nominee
Professor J D Woollins	Senate nominee
<i>One vacancy</i>	External Court nominee
<i>Secretary : the Clerk</i>	
<b>STAFF COMMITTEE</b>	
Mr A M MacIntyre (Convener)	Lay member of Court
The Principal	ex officio
The Master	ex officio
The Secretary and Registrar	ex officio
The Dean of Divinity	ex officio
The Dean of Arts	ex officio
The Dean of Science	ex officio
Mr D W Loudon	Non-Academic Staff Court nominee
Mr D S Mundie	Lay member of Court
Miss K M Patrick	Lay member of Court
Professor B Roberts	Senate nominee
Dr G F San Román	Senate nominee
<i>Secretary : the Director of Human Resources</i>	
<b>STUDENT SERVICES COMMITTEE</b>	
Miss K M Patrick (Convener)	Non-Exec member of Court
The Vice-Principal (Student Services)	ex officio
Mr A D Arbuckle (until 22 May 2002)	Lay member of Court
Professor P J Boyle	Senate nominee
Mrs J C Ogilvy	Lay member of Court
Dr S C Whiten	Senate nominee
Ms D Green (until 30 June 2002)	Students' Association nominee
Mr T R Plant (until 30 June 2002)	Students' Association nominee
Mr R O'Hare (from 1 July 2002)	Students' Association nominee
Mr M Biagi (from 1 July 2002)	Students' Association nominee
<i>Secretary : the Director of Student Support Services</i>	

## **REPORT OF THE UNIVERSITY COURT**

### **Scope of the financial statements**

The accounts for the year to 31 July 2002 have been prepared in accordance with the Statement of Recommended Practice; Accounting for Further and Higher Education Institutions. As noted in paragraph 1 of the statement of principal accounting policies (Page 16), these accounts have been prepared on a Historical Cost basis.

### **Payment of creditors**

It is the University's policy to obtain the best terms for all business and thus there is no single policy as to the terms used. In agreements negotiated with suppliers, the University endeavours to include and abide by specific payment terms. The average creditor payment period, calculated as a proportion of the year end creditors to aggregate amounts invoiced during the year, was 34 days (2000/01: 32 days).

### **Equal Opportunities Policy**

The University has an Equal Opportunities Policy that applies to all staff and all students. The Policy's aims are that all individuals will be treated with respect and will not be subjected to unfair discrimination in any aspect of university life. The University's aim is that all staff and students, whether existing or potential, receive fair and equal treatment when applying to become, or working as, members of the University. The Equal Opportunities Policy aims to achieve an environment in which instances of unfair discrimination are not tolerated, and in which everyone has the opportunity to develop to their full potential.

This policy includes specific provision for existing and potential employees with disabilities and those from under-represented ethnic and racial groups. The University will actively seek ways to ensure that such individuals are not disadvantaged in their career development by factors relating to their personal circumstances.

### **Result for the year**

The accounts show a surplus for the year of £1.3m. Although £0.7m up on the previous year, this represents a shortfall of £0.6m against that originally predicted; a shortfall entirely attributable to the inclusion of the sale proceeds of Hepburn Hall in last year's result, rather than, as predicted, this year's.

Income was above both that experienced last year and that forecast, the most significant variance, both in terms of last year (up £3m) and in terms of budget (up £2m) being in relation to Income from Research Grants and Contracts. Whilst there was an impressive overall trend of growth, Research Grant included notable contributions from SHEFC initiative-based funding, the Wellcome/Medical Research Council equipment grant scheme and the PPARC funded Physics Interdisciplinary Research Centre. Other significant income variances were in relation to Other Income, up £1.8m on last year and £1.7m on budget, attributable mainly to exceptional increases in student numbers; and in relation to Endowment Income, down £0.5m on last year and £0.2 on budget, despite good relative performance of the University's fund managers in difficult market conditions.

Expenditure was above the expected level principally because of increases in Staff Costs (£2.9m up on last year, £2.8m up on budget) and Other Expenditure (£3m up on last year, £0.3m up on budget) reflecting significantly increased volumes of teaching, research and residence activity. Interest payable fell compared to last year (down £0.2m) and compared to budget (down £0.1m) commensurate with an improved cash position and falling interest rates. Depreciation rose (up £0.5m on last year; £1m up on budget) mainly because of its sensitivity to equipment purchase trends, which were characterised by significant rises in unpredicted initiative funding of Research Equipment.

The Balance Sheet reflects many of the trends outlined above, with Fixed Assets growing in line with significant grant funding of buildings and equipment; Fixed Asset Investments reflecting the

## REPORT OF THE UNIVERSITY COURT

University's investment of £200k in the University Challenge Fund; Endowment Asset values matching the poor performance of stock market; slight increases being experienced in student debt, related to increases in student volume; creditors rising sharply in line with increases in Research Council activity; and a reduction in bank overdraft associated with the positive cash-flow described below.

The Cash Flow statement exhibits a reduction in net debt of £1.6m for the year. The main contributors to the net cash-flow were: in relation to cash-flow from operating activity, increased profitability, and increased research creditors; in relation to returns on investment, diminished endowment income; and in relation to capital investment, the increase in grant funded research projects.

As well as impacting upon the value of Endowment Asset Investments, the poor performance of equity markets has borne heavily on assets of the St. Andrews Superannuation and Life Assurance Scheme, the pension scheme for non-academic staff. Under current accounting practice, the University does not recognise the value of the Scheme's assets, nor the gains and losses thereon, in its accounts; but under the transitional arrangement for the introduction of Financial Reporting Standard 17, full disclosure of the potential effects upon the University's accounts have been revealed in Note 26. Following a formal actuarial review of the scheme in April 2002, the total contribution rates were increased, first from 16% to 18.45% in May 2002, and subsequently to 21.6% on 1 August 2002. The next formal review of the scheme's position will take place in April 2003, at which time the actuary will once again advise upon the long-term adequacy of the contribution rates.

### **Achievement of Strategic Objectives**

In last year's Report and Financial Statements, the University disclosed the outcome of a formal comparison of the practice of the University Court with the requirements of the Guide for Members of Governing Bodies of Scottish Higher Education Institutions and Good Practice Benchmarks (SHEFC Circular 05/99). Progress on compliance with the Benchmarks is reported fully in the Statement on Corporate Governance (Pages 10-13). In relation to the specific recommendation regarding the adoption, monitoring and reporting of a range of financial and non-financial performance measures related to the institution's strategic objectives, it was reported last year that:

*The University's recent fundamental revision of its Strategic Planning Process provides, through the formulation and monitoring of detailed operational plans, a means by which the University Court can assess the University's achievement of its Strategic Plan. The results of such a review, at the end of the first annual cycle, will be published and publicly available.*

Having now achieved the end of the first annual cycle, this report meets that disclosure commitment: both, above, in terms of financial performance measures; and, below, in relation to operational planning targets for the year ending 31 July 2002:

**Admissions:** The University met its target in relation to overseas postgraduate and access students, significantly increasing the average entry grades of students. However, during the year, the University exceeded Funding Council number limits in terms of Home/EU undergraduate population because of exceptional demand for places.

**Learning and Teaching:** The University further supported the development of the skills and knowledge needed by society by refining the flexibility of the degree programme, introducing new degrees, and establishing a new unit, SALTIRE, to support the enhancement of learning and teaching for students and staff. The University has assured and enhanced standards through new regulations and guidelines, internal subject reviews, highly successful quality assessment reviews, and by offering new forms of support for lecturing staff through SALTIRE

## REPORT OF THE UNIVERSITY COURT

**Student Support.** Progress on a new code of practice for student complaints, a student handbook in both paper and intranet format, plans to tackle student disability issues, engagement of academic staff in pastoral care (in particular through the roles of wardens, disability co-ordinators and advisors of study), the restructuring of the Student Support Service, and the funding of student bursaries has been entirely satisfactory. The University would, however, have liked to achieve more in relation to monitoring of student progress against wider access criteria, the development of effective Personal Development Plans and the formulation of strategies for extracurricular development

**Research:** The outcomes of the 2001 Research Assessment Exercise have confirmed the University's reputation for high quality research across its entire range of disciplines, in the sciences as well as the arts. With 72% of its academic staff placed in prestigious 5/5\* units, the hallmark of which is a significant component of their research attaining international excellence, the University of St. Andrews tops the league tables in Scotland and is well within the top 10% of similar institutions UK-wide. It is also the only University in Scotland with no grades lower than 4, meaning that all of its departments have achieved international excellence in some aspects of their research. Thus, all students coming to St. Andrews can be assured of being taught by staff with international reputations for research excellence.

During the last year the strategic plan for the development of Research & Enterprise Services has been implemented with the appointment of a Director, an Associate Director for the Arts, Humanities & Social Sciences, a Student Enterprise Officer, an Information Officer, a Proposals Officer and a Database Officer. A number of these posts are supported by external funding from the Scottish Institute for Enterprise and Scottish Enterprise Fife. This enhanced unit will promote and manage the commercialisation of research outputs, aspects of research sponsorship and other external work activities. Current projects include the implementation of the strategic plan between the University and Scottish Enterprise Fife in relation to the Knowledge Transfer agenda, and the management of the recently awarded University Challenge Fund, in which the Universities of Dundee and Aberdeen are partners.

New codes of practice relating to External Work and Procedures for Handling Misconduct in Research have been drawn up and publicised during a consultation phase.

Interdisciplinarity in research has been promoted throughout the year, in particular by the holding of two one-day events promoting interdisciplinarity between the life sciences and the physical and mathematical sciences. In addition three postgraduate studentships in interdisciplinary research have now been established, supported through the University bursary fund. The University is also vigorously engaging in the Sustainability agenda through the development of a new interdisciplinary teaching module addressing this topic.

**Information:** During the year, the University has successfully chosen and implemented its virtual learning environment (WebCT) and created an early prototype student portal that has been used, *inter alia*, for the new online advising process. New computer clusters have been created in the Schools of Biology and Chemistry; and the clusters in the School of Mathematics and in the Library have been greatly enhanced. We have not yet succeeded in attracting sponsorship that would enable us to offer laptops to students at significantly discounted prices.

The Library has improved access to all of our full-text electronic journals and installed a self-issue point. Funding constraints have delayed digitisation of the University's Page Catalogue.

In terms of information systems, more data is now available via the University's Data Warehouse, an Electronic Document Management System has been successfully implemented and on-line payment systems have been introduced. Several relevant paper publications are now available only via the Web and we have rationalised several paper and online publications by creating new undergraduate and postgraduate handbooks.



## REPORT OF THE UNIVERSITY COURT

Infrastructural improvements have seen the piloting of Gigabit Ethernet technology; the replacement of FatMAN communications links and equipment; and enhancement of video infrastructure, residences network and the Web service.

**Estate & Equipment:** Significant milestones achieved include the initiation of a major VfM review of Direct Labour and the relocation of the School of Art History. We have not yet completed our Environmental Strategy (now due in June 2003) because of the delayed appointment of the relevant officer; or the refurbishment of the School of Greek, Latin and Ancient History (now due in September 2003) because of the late availability of decant space.

**Governance:** As planned, the University has succeeded in revising the size and composition of the University Court and completing the first round of performance appraisal of Court members.

**Human Resources:** In relation to Human Resources' issues, the University might have wished to make more progress on the review of unnecessary variations between terms and conditions and status of different staff groups. However, we have advanced institutional understanding considerably in relation to the job profiles of senior managers, a performance management process, inclusive staff development and structured management development. In addition to developing a process of systematic reward for off-scale employees, the University is also actively concentrating on issues of job evaluation and reward in the light of the implementation of the single pay spine.

**Finance:** During the year, the University has developed a participative process for strategic and financial planning that draws heavily on input from academic schools and support units. Marsh (UK) Limited have worked with the University during the year to undertake a Strategic Risk Assessment exercise, the output from which has been used locally to identify, evaluate and assist in the management of the University's register of significant risks.

In relation to e-commerce, the introduction of on-line payment systems was a significant success. There is, however, still work outstanding, primarily because of the delay in the appointment of a Financial Controller, on the automation of expense processing and the wider penetration of the purchase order processing system. As planned, we have continued to refine the *Transparent Approach to Costing* (TrAC) computer model, and to disseminate its results for the purposes of improving pricing decisions. Plans to roll out electronic financial reporting were superseded by the implementation of web-based reporting, this has led to a commensurate delay that, coupled with the University's changing IT priorities, will lead to the implementation of the web based reports by the end of the coming year.

Following the review of fund management arrangements for the university's Endowment Funds, the University implemented the transfer of about one-third of the funds under management from Schroder Investment Management to Capital International.

### Conclusion

Financially and operationally, 2001/2002 has been a successful year for the University. The University takes particular pride in its achievements in the 2001 Research Assessment Exercise, the outcome of which added not only to the University's reputation for excellence, but through the additional funding it brought, added to our confidence that we will be able to continue to deliver upon our Financial Plans. This, however, does not leave room for complacency, since the drive to maintaining excellence, carries with it significant ambition in terms of the human and physical environment that we seek to provide: ambition that will require careful and innovative planning if funding is not to be an unreasonable constraint upon our future.

**William Berry**  
**Senior Governor**  
**College Gate**  
**St Andrews**

**6 December 2002**

## **RESPONSIBILITIES OF THE COURT OF THE UNIVERSITY OF ST ANDREWS**

In accordance with the Universities (Scotland) Act 1889 as amended by the Universities (Scotland) Act 1966, the Court of the University of St. Andrews is responsible for the administration and management of the affairs of the University and is required to present audited financial statements for each financial year.

The Court is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the University and to enable it to ensure that the financial statements are prepared in accordance with the Universities (Scotland) Act 1889 as amended by the Universities (Scotland) Act 1966, the Statement of Recommended Practice on Accounting for Higher Education Institutions and other relevant accounting standards. In addition, within the terms and conditions of the Financial Memorandum agreed between the Scottish Higher Education Funding Council and the Court of the University of St. Andrews, the University Court, through its designated office holder, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the University and of the surplus or deficit and cash flows for that year.

In causing the financial statements to be prepared, the Court has to ensure that:

- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- financial statements are prepared on the going concern basis unless it is inappropriate to presume that the University will continue in operation. The Court is satisfied that it has adequate resources to continue in operation for the foreseeable future: for this reason the going concern basis continues to be adopted in the preparation of the financial statements.

The Court has responsibility to:

- ensure that funds from the Scottish Higher Education Funding Council are used only for the purposes for which they have been given and in accordance with the Financial Memorandum with the Funding Council and any other conditions which the Funding Council may from time to time prescribe;
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- safeguard the assets of the University and prevent and detect fraud;
- secure the economical, efficient and effective management of the University's resources and expenditure.

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

- clear definitions of the responsibilities of, and the authority delegated to, heads of academic schools and administrative departments;

## **RESPONSIBILITIES OF THE COURT OF THE UNIVERSITY OF ST ANDREWS**

- a comprehensive planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- regular reviews of financial performance, including updates of forecast outruns;
- 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 University Court, and promulgated in the Financial Regulations and Procedures;
- comprehensive Financial Regulations, detailing financial controls approved by the University Court on the recommendation of the Finance Committee;
- a professional Internal Audit team whose annual programme is approved by the Audit Committee and endorsed by the University Court and whose head provides the Court with a report on internal audit activity within the University and an opinion on the adequacy and effectiveness of the University's system of internal control, including internal financial control.

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

## CORPORATE GOVERNANCE

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 University Court is the governing body of the University. Its authority derives from Acts of Parliament which, *inter alia*, vest in the Court the administration of all property and revenues of the University and give it the power to review the decisions of the Senate. The Court thus has overall responsibility for the governance of the University, including all aspects of strategic planning and management of all resources, whether financial, human or physical.

The University Court 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 University Court is of the view that there is an ongoing process, principally through the Risk Management Committee and the Audit Committee, for identifying, evaluating and managing the university's significant risks. This began with the execution of a Strategic Risk Assessment Exercise in 2001/2002, upon which the Risk Management Committee received an interim report in April 2002. Between that date and the Committee's next meeting in November 2002, the report was circulated among key managers in the institution to establish agreement on a register of significant risks; to identify timescales for the implementation of risk management procedures; and to identify responsibility for the on-going management of the risks listed. A final report will be considered by the Risk Management Committee at its meeting in November 2002.

The University Court met five times during 2001/2002, and has a number of committees with particular areas of responsibility. The decisions and recommendations of these committees are formally reported to Court. The committees, whose membership is disclosed on Pages 2 and 3, are:

- Academic Audit Committee
- Audit Committee
- Equal Opportunities Committee
- Finance Committee<sup>1</sup>
- Information Policy Committee
- Nominations Committee
- Planning and Resources Committee
- Remuneration Committee
- Risk Management Committee
- Staff Committee
- Student Services Committee

All of these Committees are formally constituted with terms of reference, outlined in an annual publication "Standing Committees of the University: Membership and Remit" (<http://www.st-andrews.ac.uk/services/registry/committe.htm>).

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<sup>1</sup> Effective from 1 August 2002, the Court approved the dissolution of the Finance Committee, passing its responsibility relating to financial reporting and stewardship to the Planning and Resources Committee (including the receipt of comment from the Audit Committee in respect of conduct of the audit of these financial statements); and its remit in terms of investments and collections to a newly constituted Investments and Collections Committee.

## CORPORATE GOVERNANCE

On the 22 May 2002, the Court received Privy Council approval of Ordinance 121, re constituting the Court from the date of that approval. The main changes, reflected above, were: the reduction in Fife Council representation, from two members to one; the reduction of Senate Assessors from six to four; the reduction of General Council Assessors from four to two; the addition of Students' Association Vice-President (Representation) to the number of ex-officio student representatives; and facility to have eight co-opted members, one more than previously permitted.

In respect of its strategic planning and development responsibilities, the University Court receives recommendations and advice from the **Planning and Resources Committee**. During the year ended 31 July 2002, the committee's membership includes, ex-officio, the four non-executive Court members, who convened the Finance Committee, Information Policy Committee, Staff Committee and Student Services Committee.

**The Finance Committee** reviewed the annual budget and financial forecasts of the University, the Students' Association and the Athletic Union, and the levels of residential and other fees charged to students; reviews regularly during each year actual income and expenditure as compared with budgeted levels; monitors the level and cost of the University's borrowings and the extent of other liabilities; considers the content of the annual financial statements of the University (in the light of appropriate advice from the Audit Committee), the Students' Association and the Athletic Union and submits such statements to Court; conducts regular reviews of the general investment policy of the University and within the context of that policy monitors the performance of (i) the University's investment advisers, (ii) the investment portfolio(s) under their management and (iii) any and all University investments not under the management of the investment advisers; and reviews the University's assets, advising Court in respect of their management, purchase and sale.

**The Nominations Committee** advises Court on any matter pertaining to the execution of its governance functions, including the appointment and role of Court's Senior Governor; identifies and recommends persons for membership of the University Court; makes recommendations to Court with regard to (a) the overall structure of University committees and (b) the remit and Court-nominated membership of such committees; and recommends to Court how it should be represented, as necessary, on external bodies and at particular meetings or events.

**The Remuneration Committee** receives, considers and approves the recommendations of the Principal in relation to the remuneration of all staff whose salaries are not based on a recognised salary scale and in relation to all increases in remuneration which do not represent standard progression with regard to a recognised salary scale; receives and considers information from the Principal on all severance arrangements and approves the recommendations of the Principal on specific arrangements which involve University expenditure in excess of £50,000; determines, through its Court lay members, the remuneration of the Principal; and takes a general overview of all of the above, or any related, matters in order to ensure the exercise of appropriate financial control and of reasonable employer behaviour.

**The Audit Committee** consists of lay members of Court supplemented by additional co-opted expert lay members to assist it in its role. The committee reviews the audit of the University's annual financial statements and comments thereon to the Finance Committee in advance of its consideration of their content; keeps under review (a) policies, procedures and regulations in respect of the University's assets, and (b) financial controls, accounting procedures, the application of accounting standards, and routine arrangements for the investigation of questions of financial irregularity or impropriety; considers all matters relating to the internal and external audit, and Value for Money review, of the affairs of the University and of those companies controlled by the University Court; receives reports from the internal and external auditors and pursues, as necessary with the relevant officers, issues arising from such reports; considers any other audit-related matters, including reports from the National Audit Office or other external agencies; keeps under review procedures for the appointment of internal and external auditors, implements such procedures and consequently makes

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recommendations to the University Court; considers any other Audit matter pertaining to the University. Whilst senior executives attend meetings of the Audit Committee as necessary, they are not members of the Committee; and the Committee has the opportunity to meet with the Internal or External Auditors in the absence of University staff. The Convener of the Audit Committee is accountable to the University Court for conducting the annual performance appraisal of the Senior Governor.

It is the role of the **Risk Management Committee**, in relation to Health and Safety, to audit, upon the basis of advice from the Health and Safety Committee, the annual reports from the University's Director of Environmental Health and Safety Services, the implementation of the Health and Safety Policy Statement of the University Court; to review, at least annually, upon the basis of advice from its Health and Safety Committee, the Health and Safety Policy Statement of the University Court in the light of the requirements and advice of the Safety Inspectorates and other appropriate external agencies; and to make recommendations as necessary in the light of (a) and (b) above. In relation to Insurance, the Committee reviews at least annually, the University's cover; recommends material changes to the nature of the University's insurance cover; and advises on the appointment of University Insurance brokers. Finally, it is also the committee's responsibility to review all other aspects of the University's approach to risk assessment and management, including the ethical and environmental implications of University activity and disaster recovery arrangements.

In keeping with the University's policy on the registration and declaration of interests, all persons routinely attending meetings of the University Court and Committees are required to take proper account of any conflict of interest which might arise from their University involvement on the one hand and their membership of, or connection with, other bodies outside the University on the other. The Clerk of the Court has established and maintains a formal Register of Interests. It is available for inspection in the Court Office by those obliged to supply information for inclusion in the Register, officers of the Scottish Higher Education Funding Council and the University's internal and external auditors. The Clerk may, after consultation with the President of the Court, the Principal and the member(s) concerned, also make the Register, or a specific part of the Register, available to others.

As reported in last year's Reports and Financial Statements, the University has formally compared the practice of the University Court with the requirements of the Guide for Members of Governing Bodies of Scottish Higher Education Institutions and Good Practice Benchmarks (SHEFC Circular 05/99). At 31 July 2001, the Court was able to report that other than in the case of a number of noted exceptions, the University complies with the requirements of the Good Practice Benchmarks. During the year ending 31 July 2002, the Court has effected changes which have achieved compliance with the Good Practice Benchmarks in the following areas:

- *The governing body Standing Orders should include a formal mechanism for removal of members, including criteria, when this would be appropriate, and the associated procedures*

At its meeting on 5 July 2002, the Court approved a recommendation of the Nominations Committee, recognising that the handbook for Court members was already explicit about the circumstances in which Court members would face removal, to adopt a formal mechanism for the removal of Court members.

- *The governing body should be represented on the board of directors of related companies by independent lay members of the governing body or by individuals nominated by the governing body; and*

At its meeting on 5 July 2002, the Court approved a restructuring of the boards of directors of the University subsidiary companies which achieved population of the boards with lay Court membership.

## CORPORATE GOVERNANCE

- *A formal mechanism should be established through which all material issues about the company's activities, including financial performance and remuneration of directors, are formally reported to the governing body*

At its meeting on 8 March 2002, the Court accepted the Finance Committee's recommendation that its remit be extended to include the consideration of the Report and Accounts of the University subsidiary companies; and the formal transmission and reporting of these to the University Court. Subsequent to the dissolution of the Finance Committee on 1 August 2002, this requirement has been embodied in the remit of the reconstituted Planning and Resources Committee.

- *The governing body should formally adopt and monitor a range of financial and non-financial performance measures related to the institution's strategic objectives. These should be published as appropriate to enable taxpayers and other 'stakeholders' to monitor the progress and achievements of the institution*

As reported last year, the University's fundamental revision of its Strategic Planning Process provides, through the formulation and monitoring of detailed operational plans, a means by which the University Court can assess the University's achievement of its Strategic Plan. Having achieved the end of the first annual cycle, the results of this review are disclosed in the Report of the Convenor of the Planning and Resources Committee at the opening of these Reports and Accounts. It is intended that in future years such a report will focus on the achievement or otherwise of the SMART targets referred to in the Strategic Plan dated July 2002.

In relation to the remaining cases of diversion from the Good Practice benchmarks, the Court does not intend to amend its policy or practice:

- *All members, other than those who are members by virtue of their office, should be appointed for a given term, usually three years. They should not normally serve for a consecutive period of more than nine years*

It is the normal practice for elected and appointed members of the University Court to have a term of office not exceeding four years. They may serve for a second consecutive term of office but normally not for a total of more than eight years.

- *Members should not normally serve for more than one complete term beyond the state retirement age, which for the purpose of this guidance is assumed to be 65*

Having considered the matter, the University Court determined that the attainment of a 70<sup>th</sup> birthday prior to appointment or re-appointment should be *prima facie* reason for disqualification/resignation/dismissal from Court.

## **INDEPENDENT AUDITORS' REPORT TO THE COURT OF THE UNIVERSITY OF ST ANDREWS**

We have audited the Financial Statements for the year ended 31 July 2002 which comprise the Consolidated Income and Expenditure Account, Statement of Consolidated Recognised Gains and Losses, Group and University Balance Sheets, Consolidated Cash Flow Statement, Statement of Principle Accounting Policies, and the related notes 1 to 29. These Financial Statements have been prepared on the basis of the accounting policies set out in the Statement of Principal Accounting Policies.

### **Respective Responsibilities of the Court and Auditors**

As described in the Statement of Responsibilities of the University Court, the Court is responsible for the preparation of the Financial Statements in accordance with the University's Charter, the Statement of Recommended Practice: Accounting for Further and Higher Education Institutions and other applicable United Kingdom law and accounting standards.

Our responsibility is to audit the Financial Statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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: Accounting for Further and Higher Education Institutions. We also report to you whether income from funding bodies, grants and income for specific purposes and from other restricted funds administered by the University have been applied only for the purposes for which they were received and whether income has been applied in accordance with the Statutes and, where appropriate, with the Financial Memorandum with the Scottish Higher Education Funding Council.

We also report to you if, in our opinion, the *Report of the University Court* is not consistent with the financial statements, if the University has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read the other information contained in the *Report of the University Court* and *Corporate Governance Statement* and consider the implications for our report if we become aware of any apparent misstatements within them.

### **Basis of Audit Opinion**

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

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



**INDEPENDENT AUDITORS' REPORT TO THE COURT OF THE UNIVERSITY OF  
ST ANDREWS**

**Opinion**

In our opinion:

- (i) the Financial Statements give a true and fair view of the state of affairs of the University and of the Group as at 31 July 2002, and of the surplus of the Group for the year then ended and have been properly prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education Institutions;
- (ii) income from the Scottish Higher Education Funding Council, 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
- (iii) income has been applied in accordance with the Universities (Scotland) Act 1889 as amended by the Universities (Scotland) Act 1966 governing the University and, where appropriate, with the Financial Memorandum dated 1 August 1996 (incorporating 1998 revisions) with the Scottish Higher Education Funding Council.

**Ernst and Young LLP,  
Registered Auditor,  
Edinburgh**

**6 December 2002**

## STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

### 1. **Accounting convention**

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of Endowment Asset Investments, and in accordance with the Statement of Recommended Practice: Accounting in Further and Higher Education Institutions (“SORP”), together with applicable accounting standards and in accordance with the following accounting policies.

### 2. **Basis of consolidation**

The consolidated income and expenditure account and balance sheet include the financial statements of the University and all subsidiary undertakings as listed in the notes to the accounts for the financial year to 31 July 2002. The activities of the Students’ Association have not been consolidated as the University does not control these activities.

### 3. **Land and buildings**

In 1999/00, the University took the opportunity presented under FRS15 to move away from stating land and buildings at valuation, and has reverted to known Historic Cost as at 1 August 1993 and subsequent additions at cost. Land is held freehold and is not depreciated as it is considered to have indefinite useful life. Freehold buildings are written off at the rate of 1% to 25% per annum on cost. Leasehold property is written off over the remaining life of the lease.

Where buildings are acquired or improved with the aid of specific grants they are capitalised and depreciated as above. The related grants are treated as deferred capital grants and released to income over the expected useful life of the buildings.

### 4. **Equipment**

Equipment costing less than £10,000 is written off in the year of acquisition. In 1994/95, for the first time, and in line with the SORP, all other equipment and furnishings for general University use and in use on research grant contracts were capitalised. Previously, only expenditure on a new telecommunications system and on furnishings for New Hall had been capitalised as equipment. Capitalised equipment and furnishings are stated at cost and depreciated over their expected useful lives, as follows:

Telecommunications system:	7 years straight line
New Hall furnishings:	7 years straight line
Equipment & furniture:	4 years straight line

Where equipment is acquired with the aid of a specific grant it is capitalised and depreciated as above. The related grant is treated as a deferred capital grant and released to income over the expected useful life of the equipment.

### 5. **Recognition of income**

Income from Specific Endowments and Donations, Research Grants and Contracts, and Other Services Rendered is included in income to the extent of expenditure incurred during the year, together with any related contributions towards overhead costs.

### 6. **Pension costs**

The two principal pension schemes for the University’s staff are the Universities Superannuation Scheme (U.S.S.) and the University of St. Andrews Superannuation and Life Assurance Scheme (S.&L.A.S.). The schemes are defined benefit schemes that are externally funded and contracted out of the State Earnings-Related Pension Scheme. The funds are

## STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

valued every three years by a professionally qualified independent actuary using the projected unit method, the rates of contribution payable being determined by the trustees on the advice of the actuaries. In the intervening years the actuaries review the progress of the schemes. Pension costs are assessed in accordance with the advice of the actuaries, based on the latest actuarial valuation of the schemes, and are accounted for on the basis of charging the cost of providing pensions over the period during which the University benefits from the employees' services.

7. **Foreign currencies**

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date 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.

8. **Investments**

Listed investments are included at market value and heritable property investments at open market value. Investments, which are not listed, are stated at cost less any provision for impairment of their value. Temporary deposits are included at the lower of cost or net realisable value.

9. **Stocks**

Stocks for resale and other stocks of material value are included at the lower of cost or net realisable value.

10. **University Collections**

The University holds a number of valuable collections that are not included in the balance sheet. Advice was sought from the University Advisory Committee on Collections and Exhibitions and on 22 September 1993 approximate valuations were obtained for the main holdings of the University. These valuations are disclosed in Note 29.

11. **Provisions**

Provisions are recognised when the institution has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

12. **Taxation status**

The University of St. Andrews is a tax-exempt charity. This exemption is not extended to the trading activities of the University. Except for its trading activities and certain consultancy and research activities, the University cannot recover the Value Added Tax suffered on its expenditure and this cost is included under the various related expenditure heads.

**CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT**  
**For the year ended 31 July 2002**

	Note	<b>2001/02</b>	2000/01
		<b>£000</b>	£000
<b>INCOME</b>			
Funding council grants	1	<b>25,949</b>	25,526
Tuition fees and education contracts	2	<b>14,855</b>	12,593
Research grants and contracts	3	<b>17,287</b>	14,251
Other operating income	4	<b>13,819</b>	11,962
Endowment income and interest receivable	5	<b>1,314</b>	1,808
		<hr/>	<hr/>
Total income		<b>73,224</b>	66,140
		<hr/>	<hr/>
<b>EXPENDITURE</b>			
Staff costs	6 & 7	<b>44,375</b>	41,457
Depreciation	7 & 9	<b>3,862</b>	3,325
Other operating expenses	7	<b>22,176</b>	19,017
Interest payable	7 & 8	<b>1,504</b>	1,740
		<hr/>	<hr/>
Total expenditure		<b>71,917</b>	65,539
		<hr/>	<hr/>
<b>Surplus</b>		<b>1,307</b>	601
		<hr/> <hr/>	<hr/> <hr/>

All activities included in the above income and expenditure account are continuing.

**BALANCE SHEETS**  
**As at 31 July 2002**

	Note	<b>Consolidated</b>		<b>University</b>	
		<b>2002</b>	2001	<b>2002</b>	2001
		<b>£000</b>	£000	<b>£000</b>	£000
<b>FIXED ASSETS</b>					
Tangible assets	9	<b>69,409</b>	65,506	<b>69,409</b>	65,506
Investments	10	<b>245</b>	45	<b>245</b>	45
		<u><b>69,654</b></u>	<u>65,551</u>	<u><b>69,654</b></u>	<u>65,551</u>
<b>ENDOWMENT ASSET INVESTMENTS</b>	11	<u><b>29,190</b></u>	<u>35,705</u>	<u><b>29,190</b></u>	<u>35,705</u>
<b>CURRENT ASSETS</b>					
Stocks and stores in hand		<b>474</b>	470	<b>474</b>	470
Debtors	12	<b>5,905</b>	5,689	<b>6,397</b>	6,181
Cash at bank and in hand		<b>393</b>	122	<b>381</b>	122
		<u><b>6,772</b></u>	<u>6,281</u>	<u><b>7,252</b></u>	<u>6,773</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	13	<u><b>19,857</b></u>	<u>19,037</u>	<u><b>21,835</b></u>	<u>21,027</u>
<b>NET CURRENT LIABILITIES</b>		<u><b>(13,085)</b></u>	<u>(12,756)</u>	<u><b>(14,583)</b></u>	<u>(14,254)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>85,759</b>	88,500	<b>84,261</b>	87,002
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	14	<b>21,350</b>	21,350	<b>21,350</b>	21,350
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	15	<u><b>164</b></u>	<u>148</u>	<u><b>164</b></u>	<u>148</u>
<b>TOTAL NET ASSETS</b>		<u><b>64,245</b></u>	<u>67,002</u>	<u><b>62,747</b></u>	<u>65,504</u>
Represented by:					
<b>DEFERRED CAPITAL GRANTS</b>	16	<u><b>17,692</b></u>	<u>15,241</u>	<u><b>17,692</b></u>	<u>15,241</u>
<b>ENDOWMENT FUNDS</b>					
Specific endowments	17	<b>23,353</b>	28,659	<b>23,353</b>	28,659
General endowments	17	<b>5,837</b>	7,046	<b>5,837</b>	7,046
		<u><b>29,190</b></u>	<u>35,705</u>	<u><b>29,190</b></u>	<u>35,705</u>
<b>RESERVES</b>					
Income and expenditure account	18	<u><b>17,363</b></u>	<u>16,056</u>	<u><b>15,865</b></u>	<u>14,558</u>
<b>TOTAL FUNDS</b>		<u><b>64,245</b></u>	<u>67,002</u>	<u><b>62,747</b></u>	<u>65,504</u>

Approved by the University Court of the University of St. Andrews on 6 December 2002, and signed on its behalf by:

Dr Brian A. Lang, Principal and Vice-Chancellor

William Berry, Senior Governor

Andrew Menzies, Quaestor and Factor

**CONSOLIDATED CASH FLOW STATEMENT**  
**For the year ended 31 July 2002**

	Note	<b>2001/02</b> <b>£000</b>	2000/01 £000
Net cash inflow from operating activities	21	<b>5,784</b>	632
Returns on investment and servicing of finance	22	<b>(703)</b>	(491)
Capital expenditure and financial investment	23	<b>(3,442)</b>	(1,527)
Cash inflow/(outflow) before use of liquid resources and financing		<b>1,639</b>	(1,386)
Management of liquid resources		-	1
Financing	24	-	(71)
<b>Increase/(Decrease) in cash</b>	25	<b>1,639</b>	(1,457)
<b>Reconciliation of net cash-flow to movement in net debt</b>			
Increase/(Decrease) in cash in the period		<b>1,639</b>	(1,457)
Cash (outflow) from decrease from liquid resources		-	-
Cash outflow from financing		-	71
Change in net debt resulting from cash flows		<b>1,639</b>	(1,386)
Net debt at 1 August		<b>(25,736)</b>	(24,350)
Net debt at 31 July		<b>(24,097)</b>	(25,736)

**STATEMENT OF CONSOLIDATED TOTAL RECOGNISED GAINS AND LOSSES**  
**For the year ended 31 July 2002**

	Note	<b>2001/02</b> <b>£000</b>	2000/01 £000
Surplus after depreciation of assets and tax	18	<b>1,307</b>	601
Depreciation of endowment asset investments	17	<b>(6,453)</b>	(3,382)
Endowments income movement for year	17	<b>(489)</b>	(808)
New endowments	17	<b>426</b>	346
<b>TOTAL RECOGNISED LOSSES RELATING TO THE YEAR</b>		<b>(5,209)</b>	(3,243)
<b>Reconciliation</b>			
Opening reserves and endowments		<b>51,761</b>	55,004
Total recognised losses for the year		<b>(5,209)</b>	(3,243)
Closing reserves and endowments		<b>46,552</b>	51,761

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 July 2002**

<b>1 FUNDING COUNCIL GRANTS</b>	<b>2001/02</b>	2000/01
	<b>£000</b>	£000
SHEFC recurrent grant	<b>24,722</b>	23,650
SHEFC specific grants	<b>986</b>	1,532
Total JISC grants	<b>59</b>	61
Deferred capital grants released in year		
Buildings (note 16)	<b>154</b>	125
Equipment (note 16)	<b>28</b>	158
	<hr/> <b>25,949</b> <hr/>	<hr/> 25,526 <hr/>

<b>2 TUITION FEES AND EDUCATION CONTRACTS</b>		
Full-time students	<b>6,521</b>	5,981
Full-time students charged overseas fees	<b>6,502</b>	4,936
Part-time fees	<b>384</b>	318
Research training support grants	<b>169</b>	188
Short course fees	<b>1,239</b>	1,121
Other fees	<b>40</b>	49
	<hr/> <b>14,855</b> <hr/>	<hr/> 12,593 <hr/>

<b>3 RESEARCH GRANTS AND CONTRACTS</b>	Direct costs recovered		Overheads	
	<b>2001/02</b>	2000/01	<b>2001/02</b>	2000/01
	<b>£000</b>	£000	<b>£000</b>	£000
Research Councils	<b>7,855</b>	6,892	<b>1,716</b>	1,509
UK government bodies, local and health authorities	<b>5,117</b>	3,094	<b>534</b>	443
UK based charities	<b>2,287</b>	1,122	<b>21</b>	8
UK Industry, commerce and public corporations	<b>591</b>	473	<b>211</b>	150
EU Government bodies	<b>690</b>	524	<b>129</b>	79
EU other	<b>13</b>	7	<b>3</b>	1
Other overseas	<b>537</b>	479	<b>190</b>	128
Other Sources	<b>91</b>	104	<b>17</b>	43
	<hr/> <b>17,181</b> <hr/>	<hr/> 12,695 <hr/>	<hr/> <b>2,821</b> <hr/>	<hr/> 2,361 <hr/>

	<b>2001/02</b>	2000/01
	<b>£000</b>	£000
Total of direct cost and overhead recovered	<b>20,002</b>	15,056
Income deferred to match capitalised equipment and buildings (note 16)	<b>(4,281)</b>	(1,965)
Release of deferred capital grant for research grant equipment (note 16)	<b>1,566</b>	1,160
	<hr/> <b>17,287</b> <hr/>	<hr/> 14,251 <hr/>

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 July 2002**

<b>4 OTHER OPERATING INCOME</b>	<b>2001/02</b>	2000/01
	<b>£000</b>	£000
Residences, catering and conferences	<b>9,126</b>	8,191
Other services rendered	<b>41</b>	82
Released from deferred capital grants (note 16)	<b>82</b>	83
Other income	<b>4,570</b>	3,606
<b>Total other operating income</b>	<b>13,819</b>	11,962

**5 ENDOWMENT INCOME AND INTEREST RECEIVABLE**

Investment income from general endowment asset investments	<b>314</b>	439
Transferred from specific endowments (note 17)	<b>1,000</b>	1,369
<b>Total endowment income and interest receivable</b>	<b>1,314</b>	1,808

**6 STAFF**

**Staff Costs :**

Wages and salaries	<b>37,546</b>	34,969
Social security costs	<b>2,652</b>	2,545
Other pension costs (note 26)	<b>4,177</b>	3,943
<b>Total staff costs (note 7)</b>	<b>44,375</b>	41,457

**Emoluments of Principal :**

<b>156</b>	79
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The emoluments of the Principal, who commenced employment on 1 January 2001, exclude pension contributions to U.S.S, which are paid at the same rate as for other academic staff and amounted to £13,440 (2000/01: £7,700)

<b>Average staff numbers by major category:</b>	<b>2001/02</b>	2000/01
	<b>Number</b>	Number
Academic and other related	561	497
Administrative and clerical	461	450
Technical	134	133
Manual	465	413
Contract research	221	208
<b>Total</b>	<b>1,842</b>	1,701

**Remuneration of higher paid staff** (excluding employer's Pension contributions)

	<b>Number</b>	Number
£50,001 - £60,000	47	42
£60,001 - £70,000	17	15
£70,001 - £80,000	2	5
£80,001 - £90,000	2	-
£110,001 - £120,000	1	-
£150,001 - £160,000	1	-



**NOTES TO THE ACCOUNTS**  
**For the year ended 31 July 2002**

**7 ANALYSIS OF EXPENDITURE BY ACTIVITY**

	Staff costs £000	Dep'n £000	Other operating expenses £000	Interest payable £000	Total £000
<b>2001/02</b>					
Academic departments	23,027	5	4,580	-	27,612
Academic services	2,621	-	1,612	-	4,233
Administration	3,934	1,623	2,737	738	9,032
Premises	2,277	-	2,517	-	4,794
Research grants and contracts	8,408	1,566	5,046	-	15,020
Residences, catering and conferences	3,020	668	3,352	766	7,806
Other expenses	1,088	-	2,332	-	3,420
	<u>44,375</u>	<u>3,862</u>	<u>22,176</u>	<u>1,504</u>	<u>71,917</u>
<b>2000/01</b>	£000	£000	£000	£000	£000
Academic departments	22,768	5	4,263	-	27,036
Academic services	2,089	-	1,512	-	3,601
Administration	3,522	1,625	2,078	937	8,162
Premises	2,212	-	2,566	-	4,778
Research grants and contracts	6,902	1,160	3,846	-	11,908
Residences, catering and conferences	2,969	535	3,137	803	7,444
Other expenses	995	-	1,615	-	2,610
	<u>41,457</u>	<u>3,325</u>	<u>19,017</u>	<u>1,740</u>	<u>65,539</u>

Surplus/(Deficit) is stated after charging the following which are included in Other Operating Expenses:

	<b>2001/02</b> <b>£000</b>	2000/01 £000
Auditor's Remuneration -		
External audit	<b>36</b>	36
External audit - other services	-	2
Internal audit	<b>43</b>	41
Hire of plant and equipment - operating leases	<b>42</b>	42
And after crediting:		
Surplus on disposal of property	-	1,494

**8 INTEREST PAYABLE**

On bank loans, overdrafts and other loans:

Repayable within 5 years, not by instalments	<b>194</b>	219
Repayable wholly or partly in more than 5 years	<b>1,310</b>	1,521
Total interest payable (note 7)	<u><b>1,504</b></u>	<u>1,740</u>

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 July 2002**

**9 TANGIBLE ASSETS**

<b>Consolidated and University</b>	Land & buildings freehold £000	Land & buildings leasehold £000	Equipment & furniture £000	Total £000
<b>Historic Cost</b>				
At 1 August 2001	66,343	74	19,056	85,473
Additions at cost	3,592	-	4,173	7,765
Disposals	-	-	-	-
At 31 July 2002	<u>69,935</u>	<u>74</u>	<u>23,229</u>	<u>93,238</u>
<b>Depreciation</b>				
At 1 August 2001	6,577	37	13,353	19,967
Charge for year	973	4	2,885	3,862
On disposals	-	-	-	-
At 31 July 2002	<u>7,550</u>	<u>41</u>	<u>16,238</u>	<u>23,829</u>
<b>Net book value</b>				
<b>At 31 July 2002</b>	<b><u>62,385</u></b>	<b><u>33</u></b>	<b><u>6,991</u></b>	<b><u>69,409</u></b>
At 1 August 2001	<u>59,766</u>	<u>37</u>	<u>5,703</u>	<u>65,506</u>
Financed by Capital Grant	13,303	-	4,389	17,692
Other	49,082	33	2,602	51,717
Net Book Value at 31 July 2002	<b><u>62,385</u></b>	<b><u>33</u></b>	<b><u>6,991</u></b>	<b><u>69,409</u></b>

**10 INVESTMENTS**

<b>Consolidated and University</b>	Unlisted investments £000
<b>Cost</b>	
Balance as at 1 August 2001	45
Investment in University Challenge Fund	200
<b>Balance as at 31 July 2002</b>	<b><u>245</u></b>

**Subsidiary companies:**

At 31 July 2002, the University held a 100% interest in the following companies, and its shareholdings comprised:

<i>Company</i>	<i>Share capital</i>	<i>Country of incorporation</i>	<i>Activity</i>
St. Andrews University Holdings Ltd.	Limited by guarantee	Scotland	Dormant
St. Andrews University Services Ltd.	£2	Scotland	Vacation letting
St. Andrews Strategic Management Ltd.	£2	Scotland	Dormant
University of St. Andrews Property Services Ltd.	£2	Scotland	Property development

Following a restructuring at 31 July 2001, where St. Andrews University Holdings Ltd (the former holding company for the subsidiaries of the University of St. Andrews) transferred its investments in the subsidiary companies to the University, St. Andrews University Holdings Ltd became dormant. The subsidiaries' principal activities remained the provision of residential and catering services during vacation periods and the development and letting of property for academic and related purposes. St. Andrews Strategic Management Ltd. remained dormant throughout the year.

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 July 2002**

<b>11 ENDOWMENT ASSET INVESTMENTS</b>	<b>2002</b>	2001
<b>Consolidated and University</b>	<b>£000</b>	£000
Balance as at 1 August	<b>35,705</b>	39,549
Additions	<b>17,008</b>	14,566
Disposals	<b>(17,033)</b>	(13,906)
Depreciation	<b>(6,453)</b>	(3,382)
Cash movement	<b>(37)</b>	(1,122)
	<hr/> <b>29,190</b>	<hr/> 35,705
Represented by:		
Fixed interest stocks	<b>2,077</b>	3,112
Equities	<b>21,603</b>	26,837
Land and property	<b>4,267</b>	4,267
Debtors	<b>374</b>	583
Bank, building society and other deposits	<b>869</b>	906
	<hr/> <b>29,190</b>	<hr/> 35,705
Total endowment asset investments	<hr/> <b>29,190</b>	<hr/> 35,705
Fixed interest and equities at cost	<hr/> <b>24,879</b>	<hr/> 24,310
Land and property at cost	<hr/> <b>589</b>	<hr/> 589

<b>12 DEBTORS</b>	Consolidated		University	
	<b>2002</b>	2001	<b>2002</b>	2001
	<b>£000</b>	£000	<b>£000</b>	£000
Amounts falling due within one year:				
Debtors	<b>2,367</b>	2,303	<b>2,367</b>	2,293
Prepayments and accrued income	<b>3,538</b>	3,386	<b>3,538</b>	3,301
Amounts due from group undertakings	-	-	<b>492</b>	587
	<hr/> <b>5,905</b>	<hr/> 5,689	<hr/> <b>6,397</b>	<hr/> 6,181

<b>13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	Consolidated		University	
	<b>2002</b>	2001	<b>2002</b>	2001
	<b>£000</b>	£000	<b>£000</b>	£000
Unsecured loans	-	-	-	-
Bank overdraft	<b>4,004</b>	5,414	<b>4,051</b>	5,457
Income received in advance	<b>8,509</b>	7,400	<b>8,509</b>	7,400
Amounts due to group undertakings	-	-	<b>1,874</b>	1,953
Creditors and accruals	<b>6,389</b>	4,894	<b>6,447</b>	4,888
Accrued costs of early retirement scheme	-	453	-	453
Social security and other taxation payable	<b>955</b>	876	<b>954</b>	876
	<hr/> <b>19,857</b>	<hr/> 19,037	<hr/> <b>21,835</b>	<hr/> 21,027

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 July 2002**

<b>14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	<b>2002</b>	2001
	<b>£000</b>	£000
<b>Consolidated and University</b>		
<b>Secured Bank Loan</b>	<b>21,350</b>	21,350
	<hr/>	<hr/>
<b>Repayable as follows:</b>		
<b>In more than one year:</b>		
Between one and two years	<b>244</b>	-
Between two and five years	<b>1,094</b>	973
In five years or more	<b>20,012</b>	20,377
	<hr/>	<hr/>
	<b>21,350</b>	21,350
	<hr/>	<hr/>

**Total repayable**

The secured bank loan was drawn from The Royal Bank of Scotland on 3 July 2000. Repayment of the loan commences 39 months after the loan is drawn and is repayable by quarterly instalments over a period of twenty-seven years. The loan is secured on a portion of the freehold land and buildings of the University, and the interest rate is charged on a floating basis over LIBOR.

<b>15 PROVISIONS FOR LIABILITIES AND CHARGES</b>	FSSU unfunded
	Pension benefits
	£000
<b>Consolidated and University</b>	
As at 1 August 2001	<b>148</b>
Increase during year	<b>52</b>
Utilised in year	<b>(36)</b>
	<hr/>
As at 31 July 2002	<b>164</b>
	<hr/>

Persons retiring under the F.S.S.U. scheme, or who have already retired under the scheme, are entitled as of right to additional benefits that may arise under the F.S.S.U. Supplementation Scheme. These additional benefits are unfunded and are paid, as and when they arise, direct to retired members by the University Court, and are charged against a provision established when members retire to meet this liability (see note 26). The provision was increased during the year both to reflect a year end actuarial valuation (£150,000) in relation to the pensions currently in payment and to recognise, for the first time the potential, actuarially assessed, liability (£14,000) in relation to widows' pensions due on the death of the current pensioners.

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 July 2002**

**16 DEFERRED CAPITAL GRANTS**

<b>Consolidated and University</b>	SHEFC £000	Research grants £000	Other grants & benefactions £000	Total £000
As at 1 August 2001				
Buildings	9,960	-	2,806	12,766
Equipment	65	2,340	70	2,475
<b>Total</b>	<b>10,025</b>	<b>2,340</b>	<b>2,876</b>	<b>15,241</b>
Received				
Buildings	761	-	-	761
Equipment	-	3,520	-	3,520
<b>Total</b>	<b>761</b>	<b>3,520</b>	<b>-</b>	<b>4,281</b>
Released to Income and Expenditure Account				
Buildings (notes 1 and 4)	154	-	70	224
Equipment (notes 1 and 3)	28	1,566	12	1,606
<b>Total</b>	<b>182</b>	<b>1,566</b>	<b>82</b>	<b>1,830</b>
As at 31 July 2002				
Buildings	10,567	-	2,736	13,303
Equipment	37	4,294	58	4,389
<b>Total</b>	<b>10,604</b>	<b>4,294</b>	<b>2,794</b>	<b>17,692</b>

**17 ENDOWMENT FUNDS**

<b>Consolidated and University</b>	Specific endowments £000	General Endowments £000	Total £000
As at 1 August 2001	28,659	7,046	35,705
Additions	426	-	426
Depreciation of endowment asset investments	(5,389)	(1,064)	(6,453)
Net Income for year	657	169	826
Transferred to income and expenditure (note 5)	(1,000)	(314)	(1,314)
As at 31 July 2002	<b>23,353</b>	<b>5,837</b>	<b>29,190</b>
	Specific endowments £000	General Endowments £000	Total £000
Capital			
Chairs and lectureships	6,982	-	6,982
Other specific purposes	5,623	-	5,623
Scholarships and bursaries	8,955	-	8,955
Prize funds	596	-	596
Other funds	-	5,837	5,837
Revenue			
Other specific purposes	279	-	279
Scholarships and bursaries	865	-	865
Prize funds	53	-	53
	<b>23,353</b>	<b>5,837</b>	<b>29,190</b>

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 July 2002**

**18 INCOME AND EXPENDITURE ACCOUNT**

	Consolidated		University	
	2001/02 £000	2000/01 £000	2001/02 £000	2000/01 £000
At 1 August	<b>16,056</b>	15,455	<b>14,558</b>	13,964
Surplus for the year after depreciation	<b>1,307</b>	601	<b>1,307</b>	594
<b>As at 31 July</b>	<b>17,363</b>	16,056	<b>15,865</b>	14,558

**19 CAPITAL COMMITMENTS**

**Consolidated and University**

	2002 £000	2001 £000
In respect of contracts entered into for building work at 31 July	<b>7,399</b>	603

**20 CONTINGENT LIABILITIES**

**Consolidated and University**

	2002	2001
Guarantee to Halifax plc in respect of staff housing advances	<b>285</b>	369
HM Customs and Excise bond in respect of laboratory spirits	<b>1</b>	1
<b>As at 31 July</b>	<b>286</b>	370

**21 RECONCILIATION OF CONSOLIDATED OPERATING (DEFICIT)/  
SURPLUS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

Surplus before tax	<b>1,307</b>	<b>601</b>
Depreciation (note 9)	<b>3,862</b>	<b>3,325</b>
Deferred capital grants released to income (note 16)	<b>(1,830)</b>	<b>(1,526)</b>
Investment income	<b>(1,314)</b>	<b>(1,808)</b>
Surplus on sale of tangible fixed assets	-	<b>(1,494)</b>
Proceeds from sale of endowment assets	-	-
Interest payable (note 8)	<b>1,504</b>	<b>1,740</b>
(Increase)/decrease in stocks	<b>(3)</b>	<b>33</b>
(Increase) in debtors	<b>(216)</b>	<b>(565)</b>
Increase in creditors	<b>2,458</b>	<b>354</b>
Increase/(decrease) in provisions	<b>16</b>	<b>(28)</b>
Net cash inflow from operating activities	<b>5,784</b>	<b>632</b>

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 July 2002**

<b>22 RETURNS ON INVESTMENT AND SERVICING OF FINANCE</b>	<b>2002</b>	2001		
	<b>£000</b>	£000		
Income from endowments	<b>821</b>	1,191		
Interest paid	<b>(1,524)</b>	(1,682)		
	<b>(703)</b>	(491)		
<b>23 CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>				
Tangible assets acquired (note 9)	<b>(7,765)</b>	(5,224)		
Fixed asset investments acquired	<b>(200)</b>	-		
Endowment asset investments acquired	<b>(17,184)</b>	(14,566)		
Total fixed and endowment assets acquired	<b>(25,149)</b>	(19,790)		
Receipts from sales of tangible assets	-	1,723		
Receipts from sales of endowment asset investments	<b>17,000</b>	13,839		
Deferred capital grants received (note 16)	<b>4,281</b>	2,355		
Endowments received	<b>426</b>	346		
	<b>(3,442)</b>	(1,527)		
<b>24 FINANCING</b>				
New loans	-	-		
Repayment of long-term loan	-	-		
Repayment of short-term loan	-	(71)		
	-	(71)		
<b>25 ANALYSIS OF CHANGES IN NET DEBT</b>				
	At 1	Cash	Other	<b>At 31</b>
	August 2001	flows	non-cash	<b>July 2002</b>
	£000	£000	Changes	<b>£000</b>
			£000	
<b>Cash</b>				
Cash at bank and in hand	122	271	-	<b>393</b>
Endowment cash	906	(42)	-	<b>864</b>
Bank overdraft	(5,414)	1,410	-	<b>(4,004)</b>
	<b>(4,386)</b>	1,639	-	<b>(2,747)</b>
<b>Debt due after one year</b>				
Secured Loan	(21,350)	-	-	<b>(21,350)</b>
<b>TOTAL</b>	<b>(25,736)</b>	1,639	-	<b>(24,097)</b>

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 July 2002**

**26 PENSION ARRANGEMENTS**

There are two main pension schemes for University staff as noted below. The University continued to account for these schemes in accordance with SSAP 24. The disclosures given in (b) are those required by that standard. FRS 17 (Accounting for) Retirement Benefits which was introduced in November 2000 and will become fully effective for the University in year ended 31 July 2003. In the intervening years, transitional arrangements apply and these are dealt with in (a) hereunder to the extent that they are not covered in (b).

**(a) SSAP 24**

**The Universities Superannuation Scheme (U.S.S.)** is the main scheme covering university teachers and employees of comparable status to a university teacher. The scheme is a defined benefit scheme that is externally funded and contracted out of the State Earnings-Related Pension Scheme. The assets of the scheme are held in a separate trustee-administered fund. The actuarial valuation method employed was the projected unit method.

The actuary to the Universities Superannuation Scheme has confirmed that it is appropriate to take the pensions cost in the institution's accounts to be equal to the actual contribution paid during the year. In particular, the contribution rate recommended following the 1999 valuation has regard to the surplus disclosed, the benefit improvements introduced subsequent to the valuation and the need to spread the surplus in a prudent manner over the future working lifetime of current scheme members.

**St. Andrews University Superannuation & Life Assurance Scheme (S.&L.A.S.)** provides benefits related to final pensionable salary for other members of staff of the University. The actuarial valuation method employed was the projected unit method.

The assumptions and other data which have the most significant effect on the result of the valuation and the contribution levels are:

	<b>U.S.S.</b>	<b>S.&amp;L.A.S.</b>
	31 Mar 1999	31 Jul 2001
Date of latest published actuarial valuation		
Investment returns per annum – existing investments	4.5%	6.0%
Investment returns per annum – future investments	5.5%	6.6%
Salary scale increases per annum – past service	3.6%	} 4.0%
Salary scale increases per annum – future service	3.5%	
Pension increases per annum – past service	2.6%	} 2.5%
Pension increases per annum – future service	2.5%	
Market value of assets at date of last published valuation	£18,870M	£28.8M
Proportion of members' accrued benefits covered by actuarial value of the assets	108%	94%

The rates of contribution are as follows:

	<b>U.S.S.</b>	<b>S.&amp;L.A.S.</b>
From Court	14.00%	11.0%*
From members	6.35%	5.0%*

\* The Pensions Act 1995 and subsequent regulations established a minimum funding requirement (MFR) against which the finances of the Scheme must be tested. As a consequence of the scheme's shortfall against the MFR, it was necessary to increase contributions to satisfy the MFR regulations. With effect from 1 May 2002, total contributions were increased from 16% to 18.45% of pensionable salaries, inclusive of member's contribution at the rate of 5% of pensionable salaries. Following consultation with the trades unions, contributions were adjusted, effective 1 August 2002, to 21.6% of pensionable salary (15.6% from Court, 6% from members).



**NOTES TO THE ACCOUNTS**  
**For the year ended 31 July 2002**

**26 PENSION ARRANGEMENTS (continued)**

The total pension costs to the University and its subsidiaries was:	<b>2001/02</b>	2000/01
	<b>£000</b>	£000
Contributions to U.S.S.	<b>3,299</b>	3,063
Contributions to S.&L.A.S.	<b>878</b>	880
Total pension costs (note 6)	<b>4,177</b>	3,943

**(b) FRS 17**

**The Universities Superannuation Scheme (U.S.S.)** is available to staff of more than one employer and it is not possible to identify each institution's share of the underlying assets and liabilities of the scheme. In these circumstances, FRS 17 provides for contributions to the scheme to be accounted for as if it were a defined contribution scheme. As such, the cost recognised within the University's Income and Expenditure account will be equal to the contribution payable to the scheme for the year

**St. Andrews University Superannuation & Life Assurance Scheme (S.&L.A.S.)**

The University is required to disclose the present value of the scheme assets and liabilities. A full actuarial valuation of the scheme was carried out at 31 July 2001 and updated to 31 July 2002 by a qualified independent actuary. The major assumptions used by the actuary, which was performed on the Projected Unit method, are:

	<b>2002</b>	2001
Discount Rate	<b>5.75%</b>	5.75%
Rate of increase in pensions in payment	<b>2.5%</b>	2.5%
Rate of increase in salaries	<b>4.0%</b>	4.0%
Inflation assumption	<b>2.5%</b>	2.5%

The fair value of the assets of the scheme and the expected rates of return are:

	<b>2002</b>		2001	
	<b>Expected</b>		Expected	
	<b>Rates of</b>		Rates of	
	<b>Return</b>	<b>£000</b>	Return	£000
Equities	<b>8.5%</b>	<b>19,200</b>	7.5%	23,200
Bonds	<b>5.0%</b>	<b>4,500</b>	5.0%	4,800
Others	<b>5.0%</b>	<b>800</b>	5.0%	800
		<b>24,500</b>		28,800

The following amounts were measured in accordance with the requirements of FRS 17:

	<b>2002</b>	2001
	<b>£000</b>	£000
As at 31 July		
Total market value of scheme assets	<b>24,500</b>	28,800
Present Value of scheme liabilities	<b>(33,900)</b>	(30,000)
Deficit in scheme	<b>(9,400)</b>	(1,200)

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 July 2002**

**26 PENSION ARRANGEMENTS (continued)**

Under the FRS17 transitional arrangement that apply for the year ending 31 July 2002, the above amounts are not recognised in the financial statements. If they had been, the University's net assets and general reserve at 31 July would be as follows:

	<b>2002</b>	2001
	<b>£000</b>	£000
<b>Net assets:</b>		
Net assets excluding pension liability	<b>64,245</b>	67,002
Pension liability	<b>(9,400)</b>	(1,200)
Net assets including pension liability	<b>54,845</b>	65,802
<b>Reserves:</b>		
Income and expenditure reserve excluding pension liability	<b>17,363</b>	16,056
Pension liability	<b>(9,400)</b>	(1,200)
Income and expenditure reserve including pension liability	<b>7,963</b>	14,856

Additionally, if the pension costs had been recognised in accordance with FRS 17, the following components of the pensions charge would have been recognised in the income and expenditure account and statement of recognised gains and losses for the year ended 31 July 2002:

		£000
<b>Analysis of amounts charged to income and expenditure account:</b>		
Current service cost:		1,197
Financing:		
Expected return on pension scheme assets	2,025	
Interest on expected scheme liabilities	(1,693)	
		<u>332</u>

		£000
<b>Analysis of amounts recognised in statement of total recognised gains and losses:</b>		
Actual return less expected return on pension scheme assets		(6,595)
Experienced gains and losses arising on scheme liabilities		(20)
Changes in assumptions underlying the present value of scheme liabilities		(1,600)
<b>Total actuarial loss recognised</b>		<b><u>(8,215)</u></b>

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

	£000	£000
Deficit on scheme 1 August 2001		(1,200)
Movement in year:		
Current service cost	(1,197)	
Contributions	910	
Past service costs	-	
Other finance income	332	
Actuarial loss	(8,245)	
		<u>(8,200)</u>
<b>Deficit on scheme at 31 July 2002</b>		<b><u>(9,400)</u></b>

The University has contributed to the scheme at the following rates of pensionable salary :

1 August 1991 to 30 April 2002	11%
1 May 2002 to 31 July 2002	13.45%
From 1 August 2002	15.6%

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 July 2002**

**27 RELATED PARTY TRANSACTIONS**

Due to the nature of the University's operations and the composition of the University Court (being drawn from local public and private sector organisations) it is inevitable that transactions will take place with organisations in which a member of the University Court may have an interest. All transactions involving organisations in which a member of the University Court may have an interest are conducted at arm's length and in accordance with the University's financial regulations and normal procurement procedures.

In addition, the University Court considers the University of St. Andrews Students' Association to be a related party due to the level of transactions between the two organisations. During 2001/02, the University paid a grant to the Students' Association of £154,000 (2000/01: £139,000). In addition, the Students' Association through its Travel Service, provided travel agency services to the University amounting to £460,000 (2000/01 £426,000). The amount owing to the Students' Association at 31 July 2002 was £53,000 (2001: £22,000) and the amount owing from the Students' Association was £58,000 (2001: £53,000).

**28 STUDENT SUPPORT FUNDS**

From the 1 August 2002, the Access fund was superseded by two new funds, namely the Hardship Fund and the Mature Students' Bursary Fund. Like the Access Fund, Hardship and Mature Students' Bursary Funds are available solely for students: the University acts only as paying agent. The grants and related disbursements are therefore excluded from the Income and Expenditure Account.

	<b>2001/02</b>		<b>2000/01</b>
	<b>£000</b>		<b>£000</b>
	<b>Hardship fund</b>	<b>Mature student bursary fund</b>	<b>Access Fund</b>
Balance at 1 August	<b>91</b>	-	76
Scottish Higher Education Funding Council Grants	<b>195</b>	<b>21</b>	281
Interest added	<b>8</b>	<b>1</b>	10
	<hr/> <b>294</b>	<hr/> <b>22</b>	367
Total available			
Disbursed to students	<b>(220)</b>	<b>10</b>	(276)
	<hr/> <b>74</b>	<hr/> <b>12</b>	91
Unspent funds			
Amount refundable to SAAS	<b>(63)</b>	<b>(10)</b>	-
	<hr/> <b>11</b>	<hr/> <b>2</b>	<hr/> 91
Balance at 31 July			

**29 UNIVERSITY COLLECTIONS**

The University Court holds a number of valuable collections that are not included in the balance sheet. The main collections which have been identified and their indicative values are as follows:

	<b>£000</b>
Art and Silver	4,236
Historical instruments	2,143
Muniments (historical photographs etc.)	210
Historical furniture and furnishings	330
Bell Pettigrew collection	651
Other departmental collections	165
Books including rare volumes and manuscripts	67,550
	<hr/> <b>75,285</b>