

NAPIER UNIVERSITY1

ACCOUNTS FOR THE YEAR TO 31 JULY 2001

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Napier University  
General Information

Chancellor	Rt Hon Viscount Younger of Leckie KT KCVO TD DL FRSE
Chairman of Court	A Cubie CBE FRSE LLD (Glasgow) DUniv (Edinburgh) DBA (QMUC) LLB Hons WS
Principal and Vice-Chancellor FRSE	Professor J Mavor DSc (Eng) FEng
Secretary	G C Webber BA DPhil MBA
Director of Finance & Commercialisation Services	D Robertson LLB CA MBA
External Auditors	Ernst & Young Ten George Street Edinburgh EH2 2DZ
Internal Auditors	Deloitte & Touche 39 George Street Edinburgh EH2 2HZ
Bankers	Royal Bank of Scotland Plc 206 Bruntsfield Place Edinburgh EH10 4DF
Solicitors	Anderson Strathern WS 48 Castle Street Edinburgh EH2 3LX
Actuaries	Hymans Robertson 221 West George Street Glasgow G2 2ND

# Napier University

## Court Membership

The following persons served as members of Court during the year to 31 July 2001. In the case of those who became or ceased to be members during the year, the appropriate dates are shown.

	<b>Date of Appointment</b>	<b>Date of Retirement</b>	<b>Category</b>
Mr T N Aitchison			Non-Executive
Mr K Aitken		May 2001	Non-Executive ++
Mr C Beveridge		July 2001	Student
Professor G C Borthwick			Non-Executive
Mrs A Brobbel			Non-Executive ++
Mr D Campbell			Staff
* Dr A Cubie (Vice-Chairman)			Non-Executive ++ (+++)
Dr T M Crawford		July 2001	Non-Executive ++
The Rt Hon Lord Cullen			Non-Executive (+++)
Baroness Goudie	November 2000		Non-Executive
Miss M Greenwood			Non-Executive ++
Mrs M Jeffcoat		June 2001	Non-Executive +
Mr D MacDonald		November 2000	Non-Executive
Mr P Mackay			Non-Executive +
Mr T McKay		July 2001	Staff
Professor J Mavor			Principal & Vice-Chancellor ++
Mr A G Melville		February 2001	Student ++
* Sir Ronald Miller (Chairman)		June 2001	Non-Executive ++ (+++)
Lady Rifkind			Non-Executive
Lord Sanderson of Bowden		June 2001	Chancellor's Assessor
Professor A Sibbald			Staff
Mr S Tosh	March 2001	July 2001	Student ++
Professor M Thorne			Vice-Principal ++
Mr D Wise			Graduates' Association
Mr M Walker		June 2001	Non-Executive +
Mr P Wilson			Non-Executive +
Mr H Wollman			Staff

+ Member of Audit Committee

++ Member of Finance and General Purposes Committee

(+++) Member of Remuneration Committee

\* Dr Cubie was appointed Chairman of Court following the retirement of Sir Ronald Miller, in June 2001

# Napier University

## Report by the Chairman of Court

### **Scope of the Accounts**

The Accounts for the year ended 31 July 2001 comprising the results of the University and that of its subsidiaries follow the same format as that for the previous year. They are prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education Institutions and the accounting requirement of the Scottish Higher Education Funding Council.

### **Results of the Year**

The Consolidated Income & Expenditure Account is summarised on page 14 of the Accounts. The University is pleased to be able to report a surplus slightly in excess of £3.0m. Total income has decreased by £0.5m compared with the previous year. This is mainly due to the expiry of a three year ESF-funded contract. There is also a corresponding decrease in expenditure.

Expenditure overall has reduced by £5.2m. Exceptional restructuring costs were £3.2m less than last year, and previous early retirements have reduced our Staff Costs this year by £1.1m. A further saving of £0.9m has been achieved through good monitoring and control of non-staff budgets.

### **Balance Sheet**

Although showing an increase in Net Current Assets, there is a £2.1m decrease in bank balances. This is the result of Fixed Asset additions of £6.8m, including the construction of The Jack Kilby Computing Centre, and the Triangle, a staff and student catering facility, both at the Merchiston Campus.

### **Creditors Payment Policy**

It is the University's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the University and its suppliers, providing that all trading terms and conditions have been complied with. As at 31 July 2001, the University had an average of 39 days purchases outstanding in trade creditors.

### **Future Developments**

The University will shortly begin a £24m redevelopment of the Craiglockhart Campus, over the next two years to provide substantial new teaching accommodation.

University systems have again been reviewed, and following the successful implementation of a new student records system, a new personnel and payroll package will soon go live.

### **Disabled Employees**

The University gives equal consideration to all applications for employment regardless of disability and where a candidate with a disability is the

best person for the job full consideration is given to what reasonable adjustments are necessary to ensure the requirements of the job can be adequately fulfilled.

Where existing employees become disabled it is the University's policy wherever practicable to support employees in continuing employment by making appropriate adjustments where necessary. Members of staff who have a disability are employed under the same terms and conditions as their able-bodied colleagues and the University provides training, career development and promotion opportunities to all staff regardless of their disability wherever appropriate.

## Napier University

### Corporate Governance

The University is committed to exhibiting best practice in all aspects of corporate governance. This summary includes a description of 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. The University adheres, with minor exceptions, to the Guide for Members of Governing Bodies of Scottish Higher Education Institutions and Good Practice Benchmarks. The purpose of this summary is to help the reader of the financial statements understand how the principles have been applied.

Napier University was established by a Statutory Instrument entitled "The Napier University (Scotland) Order of Council 1993". The Order makes provision regarding the constitution, functions and powers of the University Court, and the arrangements to be adopted by it in discharging its functions. The Order provides that the Court shall be the Governing Body of the University and have overall responsibility for the governance of the University, including all aspects of strategic planning and management of all resources.

The composition of the Court is prescribed by the Statutory Instrument and comprises non-executive members, *ex officio* members, academic and non-academic members of staff and representatives of the Students' Association and the Graduates' Association. The non-executive members of the Court must always remain in the majority. The Chancellor is the titular head of the University with power to confer degrees. The Principal and Vice-Chancellor is the Chief Executive Officer of the University with delegated authority to deal with the organisation and management of the University, and the appointment, promotion and discipline of staff. The Chairman and Vice Chairman of the Court are appointed from the non-executive Court members and accordingly the roles of Chancellor, Principal and Vice-Chancellor and Chairman of Court are separated and clearly established.

The Court met six times during 2000/01 and has a number of committees to which it delegates particular areas of responsibility. The decisions and recommendations of these committees are formally reported to Court. The Committees include a Finance and General Purposes Committee, a Remuneration Committee and an Audit Committee. All of these Committees are formally constituted with terms of reference. They comprise mainly lay members of the Court, one of whom is the Chair.

In respect of its strategic and development responsibilities, the University Court during the year 2000/01 received recommendations and advice from the Finance and General Purposes Committee. This Committee *inter alia* recommended to the Court the University's annual revenue and capital budgets and monitors performance in relation to the approved budgets. The Committee also functioned as a Nominations Committee and considers nominations to fill vacancies of lay members on Court.

The Remuneration Committee, which comprises entirely non-executive members, determines the annual remuneration of the most senior staff, including the Vice-Chancellor.

The Audit Committee which consists entirely of non-executive members of the Court meets four times a year, with the University's external and internal auditors in attendance. The Committee receives regular reports from the internal auditors with recommendations for the improvement of the University's systems of internal control and management's responses and implementation plans. It also receives and considers reports from the Scottish Higher Education Funding Council as they affect the University's business and monitors adherence to the regulatory requirements. Whilst the Principal and University Secretary attend meetings of the Audit Committee they are not members of the Committee and once a year the Committee meets both the External and Internal Auditors on their own for independent discussions.

The Corporate Management Team (CMT) made up of the nine most senior officers of the University receives reports setting out key performance and risk indicators and consider possible control issues brought to their attention by early warning mechanisms which are embedded within the operational units and reinforced by risk awareness training.

# Napier University

## Corporate Governance

At its December 2000 meeting, the Court received the annual report of the Audit Committee for the year ended 31 July 2000 by considering documentation and taking account of events since 1 August 1999. At its June 2001 meeting the Court received the Annual Report of the Health and Safety team which reviewed the health, safety and environmental procedures and controls within the University for the twelve month period ending April 2001.

The Scottish Higher Education Funding Council's Financial Appraisal and Monitoring Service visited Napier University in March 2001 to review arrangements for financial control, corporate governance and audit at the institution. The final report issued in July 2001 found no fundamental and/or urgent issues requiring attention by Management but made a number of minor recommendations which are being implemented. The Review found no concerns regarding the financial health of the University.

The University Court completed in June 2001 a year-long exercise to review its governance arrangements. Two new committees, namely the Nominations Committee and the Estates Committee, have been established and the Finance and General Purposes Committee has been restructured into a Finance and Commercialisation Committee. These new arrangements will come into effect as from August 2001.

As part of its strategic and management responsibilities the 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 Court is of the view that the introduction of the new Committee structure from 1 August 2001 will, *inter alia*, facilitate a process, principally through the Audit Committee, the Finance and Commercialisation Committee and the Operational Risk Management Group of senior University managers of identification, evaluation and management of the University's significant risks. The Court is unable to state that the process has been in place during the year as this period was needed to put in place the procedures which the Court agreed should be established.

Napier University complies with the Guide for Members of Governing Bodies of Scottish Higher Education Institutions and Good Practice Benchmarks apart from the following three exceptions:

**The size of an institution's Governing Body should not normally exceed 25 members, subject to the institution's constitution.** The size of the Court of Napier University in its constitution is 26 members as defined in Statutory Instrument 1993/557 (clause 3(2)).

**The term of office of members of a Governing Body other than for members by virtue of their office should not be more than three years and members**

**should not normally serve for a consecutive period of more than nine years.**

The constitution of Napier University provides for a term of office of four years with a maximum period of 12 years in office (clause 3(7)).

**Members, other than members who are members by virtue of their office, should not normally serve for more than one complete term beyond the State retirement age which is assumed to be 65 years of age.** The constitution of Napier University provides that a member of Court who has attained 70 years of age shall not be eligible thereafter to take office for a first or subsequent term (clause 3(8)).



# Napier University

## Responsibilities of the University Court

In accordance with the Statutory Instrument, the University Court is responsible for the administration and management of the affairs of the University including ensuring an effective system of internal control and is required to present audited Accounts 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 Accounts are prepared in accordance with the University's Statutory Instrument, the Statement of Recommended Practice for Further and Higher Education Institutions and other relevant 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, the Court, through its designated Office Holder, is required to prepare Accounts for each financial year which give a true and fair view of the University and of the surplus or deficit and cash flows for that year.

In causing the Accounts to be prepared, the Court 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 Accounts;
- Accounts 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 Accounts.

The Court has taken reasonable steps 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 level two budget holders and heads of department;
- a comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- regular reviews of key performance indicators and business risks;

## Napier University

### Responsibilities of the University Court

- monthly reviews of financial results involving variance reporting and periodic updates of forecast outturns;
- clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the Court;
- comprehensive Financial Procedures and Regulations, detailing financial controls and procedures, approved by the Audit Committee and Finance and Commercialisation Committee;
- a professional Internal Audit team whose annual programme is approved by the Audit Committee and endorsed by the 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.

# Napier University

## Independent Auditors' Report to the Court of Napier University

Year to 31 July 2001

### **Independent Auditors' Report to the Court of Napier University**

We have audited the Accounts for the year ended 31 July 2001 which comprise the Consolidated Income and Expenditure Account, Group and University Balance Sheets, Consolidated Cash Flow Statement, Statement of Consolidated Recognised Gains and Losses and the related notes 1 to 23. These Accounts have been prepared under the historical cost convention as modified by the revaluation of certain assets and 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 Accounts in accordance with the University's statutory instrument, 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 Accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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

We also report to you if, in our opinion, the Report by the Chairman of Court is not consistent with the Accounts, if the University has not kept proper accounting records, the accounting records do not agree with the accounts 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 by the Chairman of Court and Corporate Governance statement and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Accounts.

### **Basis of Audit Opinion**

We conducted our audit in accordance with 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 amount and disclosures in the Accounts. It also includes an assessment of the significant estimates and judgements made by Court in the preparation of the Accounts, and of whether

the accounting policies are appropriate the circumstances of the University and its subsidiaries (the group), 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 Accounts 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 Accounts.

Napier University

Independent Auditors' Report to the Court of Napier University

Year to 31 July 2001

**Opinion**

In our opinion:

- the Accounts give a true and fair view of the state of affairs of the University and the Group at 31 July 2001 and of the Group's income and expenditure for the year then ended and have been properly prepared in accordance with the Statement of Recommended Practice: Accounting in Further and Higher Education Institutions;
- funds 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 only for the purposes for which they were received;
- income has been applied in accordance with the Charter and Statutes 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 & Young LLP  
Registered Auditor  
Edinburgh

10 December 2001

# Napier University

## Statement of Principal Accounting Policies

Year to 31 July 2001

### **Basis of Preparation**

The Accounts have been prepared under the historical cost convention and in accordance with both the Statement of Recommended Practice: Accounting for Further and Higher Education Institutions and applicable accounting standards. They conform to guidance published by the Scottish Higher Education Funding Council (SHEFC).

### **Basis of Accounting**

The Accounts are prepared under the historical cost convention and modified by the revaluation of investments.

### **Basis of Consolidation**

The Consolidated Accounts consolidate the Accounts of the University and all its subsidiary undertakings in accordance with the provisions of Financial Reporting Statement No 2. In accordance with FRS2, the activities of the Students' Union have not been consolidated because the University does not exercise control over these activities.

### **Recognition of Income**

Recurrent grants from SHEFC and Scottish Executive are recognised in the period in which they are receivable. Income from 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 & Expenditure Account in the period in which it is earned.

### **Maintenance of Premises**

The University has a ten year rolling maintenance plan which is reviewed on an annual basis. The cost of long-term and routine corrective maintenance is charged to the Income & Expenditure Account as it is incurred.

### **Foreign Currency Translations**

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 either at year end rates or, where there are related forward foreign exchange contracts, at contract rates. The resulting exchange differences are dealt with in the determination of income and expenditure for the financial year.

### **Pension Schemes**

The two principal pension schemes operated for the University's staff are the Scottish Teachers' Superannuation Scheme ("STSS") and the Local Government Pension Scheme ("LGPS"). Academic staff join the STSS, whilst the LGPS provides similar benefits for other employees of the University. Both schemes are defined schemes which are externally funded and contracted out of the State Earnings-Related Pension Scheme.



# Napier University

## Statement of Principal Accounting Policies

Year to 31 July 2001

The STSS is a statutory, contributory, final salary scheme administered by The Scottish Public Pensions Agency, an executive agency of the Secretary of State for Scotland. This is an unfunded scheme, which operates under the Teachers' Superannuation (Scotland) Regulations.

The LGPS is also a contributory, final salary scheme administered by the City of Edinburgh Council. The scheme is a funded scheme operating under the Local Government Pension Scheme (Scotland) Regulations 1998.

The University's contributions to these schemes are charged to the Income and Expenditure Account so as to achieve the accounting objective of recognising the costs of providing pensions on a systematic and rational basis over the period during which the University benefits from the employees' services.

The University's contributions are determined from periodic valuations of the schemes carried out by qualified actuaries, for the STSS using the entry age method and, for the LGPS, every three years using the projected unit method.

The University is funding directly certain pension costs for employees who have taken early retirement. A provision has been established for these liabilities as determined by an annual actuarial valuation conducted by the University's actuaries Hymans Robertson. The valuation includes those employees who left prior to 1994, SHEFC's New Blood Initiative, the Administrative Premature Retirement Schemes and those who left during the financial years up to and including 31 July 2001.

### **Tangible Fixed Assets**

#### **a. Land and Buildings**

The University's Land and Buildings are stated at cost. Buildings are depreciated over their expected useful life of 50 years and leasehold land over the life of the lease. Where land and buildings are acquired with the aid of specific grants they are capitalised and depreciated as above. The related grants are credited to a deferred capital grant account and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy. Buildings under construction are accounted for at cost, based on the value of architects' certificates and other direct costs incurred to 31 July. They are not depreciated until they are brought into use.

#### **b. Equipment**

Equipment, including computers and software, costing less than £10,000 per individual item or group of related items is written off in the year of acquisition. All other equipment is capitalised at cost.

Capitalised equipment is stated at cost and is depreciated over its useful economic life as follows:

Non-Computer Equipment	- 10 years
Computer Equipment	- 3 years
Research equipment project life	- Project life - 2 years generally
Furniture	- 10 years
Residences - Furniture and Fittings	- 8 years

Where equipment is acquired with the aid of specific grants it is capitalised and depreciated in accordance with the above policy. The related grants are treated as deferred capital grants and released to income over the expected useful economic life of the related equipment.

Napier University  
Statement of Principal Accounting Policies  
Year to 31 July 2001

**Leases**

Payments in respect of operating leases are charged in the Income & Expenditure Account. There are no assets held under finance leases.

**Investments**

Investments and Endowment Assets Investments are included in the Balance Sheet at valuation. Where investments are not listed on a recognised stock exchange they are carried at historical cost less any provision for impairment in their value.

**Stocks**

Stocks are valued at the lower of cost or net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks. No account is taken of stocks held in academic or service departments.

**Taxation**

The University is an exempt charity within the meaning of schedule 2 of the Charities Act 1993 and as such is a charity within the meaning of section 506 (1) of the Income and Corporation Taxes Act (ICTA) 1988. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 505 of the ICTA 1988 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes. The University receives no similar exemption in respect of Value Added Tax which is charged to the Income & Expenditure Account.

**Provisions**

Provisions are recognised when the University 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.

Napier University  
Consolidated Income & Expenditure Account  
Year to 31 July 2001

	Notes	2000-01 £000s	1999-00 £000s
<b>Income</b>			
Funding Council Grants	1	31,758	31,380
Tuition Fees and Education Contracts	2	18,635	17,821
Research Grants and Contracts	3	2,769	2,868
Other Operating Income	4	8,796	10,539
Endowment and Investment Income	5	578	467
		<hr/>	<hr/>
Total Income		62,536	63,075
		<hr/>	<hr/>
<b>Expenditure</b>			
Staff Costs	6	37,349	38,481
Exceptional Restructuring Costs	8	1,481	3,865
Other Operating Expenditure	7	18,748	20,618
Depreciation	7	1,852	1,799
Interest Payable	7	73	-
		<hr/>	<hr/>
Total Expenditure	8	59,503	64,763
		<hr/>	<hr/>
<b>Surplus/ (Deficit)</b>		<b>3,033</b>	<b>(1,688)</b>
		<hr/> <hr/>	<hr/> <hr/>

The Income & Expenditure account is in respect of continuing activities.

Areas shaded throughout these Accounts denote that the figures have been consolidated with those of the University's subsidiaries.

Napier University  
Consolidated Balance Sheet  
At 31 July 2001

	Notes	2001 £000s	2000 £000s
<b>Fixed Assets</b>			
Tangible Fixed Assets	10	42,701	38,911
Investments	11	1,652	1,696
		44,353	40,607
<b>Endowment Asset Investments</b>	12	213	208
<b>Current Assets</b>			
Stocks	13	56	34
Debtors	14	10,530	10,460
Cash at Bank and in Hand		7,019	9,132
		17,605	19,626
<b>Creditors due within one year</b>	15	14,756	17,152
<b>Net Current Assets</b>		2,849	2,474
<b>Total Assets less Current Liabilities</b>		47,415	43,289
	16	(11,964)	(10,495)
<b>Provisions for Liabilities and Charges</b>		35,451	32,794
<b>Total Net Assets</b>		26,332	26,669
Represented by:		213	208
<b>Reserves</b>	17	26,332	26,669
	18	213	208
Deferred Capital Grants	19	8,906	5,917
Endowment Funds		35,451	32,794
Reserves		35,451	32,794
<b>Total Funds</b>		35,451	32,794

The Accounts on pages 11 to 32 were approved by the University Court on 10 December 2001 and were signed on its behalf by: DR A CUBIE, Chairman; PROFESSOR J MAVOR, Accounting Officer; MRS D ROBERTSON, Director of Finance and Commercialisation Services

Napier University

Balance Sheet

At 31 July 2001

	Notes	2001 £000s	2000 £000s
<b>Fixed Assets</b>			
Tangible Fixed Assets	10	39,498	38,812
Investments	11	1,649	1,693
		<hr/>	<hr/>
		41,147	40,505
<b>Endowment Asset Investments</b>	12	213	208
<b>Current Assets</b>			
Stocks	13	56	34
Debtors	14	3,538	3,450
Cash at Bank and in Hand		9,995	8,040
		<hr/>	<hr/>
		13,589	11,524
<b>Creditors due within one year</b>	15	7,325	8,858
		<hr/>	<hr/>
<b>Net Current Assets</b>		6,264	2,666
		<hr/>	<hr/>
<b>Total Assets less Current Liabilities</b>		47,624	43,379
	16	(11,964)	(10,495)
<b>Provisions for Liabilities and Charges</b>		<hr/>	<hr/>
		35,660	32,884
		<hr/>	<hr/>
<b>Total Net Assets</b>			
Represented by:			
<b>Reserves</b>	17	26,324	26,652
	18	213	208
Deferred Capital Grants	19	9,123	6,024
Endowment Funds		<hr/>	<hr/>
Reserves		35,660	32,884
		<hr/>	<hr/>
<b>Total Funds</b>			

Napier University  
Consolidated Cash Flow Statement  
Year to 31 July 2001

	Notes	2001 £000s	2000 £000s
<b>Net cash inflow from operating activities</b>	21	2,241	3,144
<b>Returns on investment and servicing of finance</b>			
		11	11
Income from Endowments		575	464
Other Interest Received		-	-
Interest Paid		42	41
Investment Income Received		<u>        </u>	<u>        </u>
		628	516
<b>Net cash inflow from returns on investment and servicing of finance</b>			
<b>Investing activities</b>			
Payments to Acquire Tangible Fixed Assets		(6,810)	(2,442)
Receipts from Sale of Tangible Fixed Assets		1,108	6
Payments to Acquire Investments		-	(3)
Receipts from Sale of Investments		-	16
Deferred Capital Grants Received		718	14
Endowments Received		2	-
		<u>        </u>	<u>        </u>
<b>Net cash inflow from investing activities</b>		(4,982)	(2,409)
<b>Net cash inflow before financing</b>		(2,113)	1,251
<b>Net cash inflow from financing</b>		-	-
	22		
<b>Increase in cash</b>		<u>        </u>	<u>        </u>
		(2,113)	1,251

Statement of Consolidated Total Recognised Gains and Losses

Operating Surplus/(Deficit)	3,033	(1,688)
Appreciation/(Depreciation) of Endowment	(5)	(4)
Asset Investments	(44)	41
Appreciation/(Depreciation) of Fixed Asset Investments	8	8
Endowment Income retained for year	2	-
New Endowments	<u>        </u>	<u>        </u>
	2,994	(1,643)
	<u>        </u>	<u>        </u>

Napier University

Notes to the 2000-01 Accounts

	2000-01 £000s	1999-00 £000s
<b>1. Scottish Higher Education Funding Council Grants</b>		
Recurrent Grant	30,063	29,305
Specific Grants	728	1,210
Released from Deferred Capital Grants	813	530
- Buildings	154	335
- Equipment	—	—
	<u>31,758</u>	<u>31,380</u>
<b>2. Tuition Fees and Education Contracts</b>		
Home/EU	7,687	7,258
Overseas	1,886	1,672
Part-Time	1,977	2,110
Examination Fees	28	56
Education Contracts	7,057	6,725
	<u>18,635</u>	<u>17,821</u>
<b>3. Research Grants and Contracts</b>		
Grants (SHEFC)	958	1,156
Contracts	1,811	1,712
	<u>2,769</u>	<u>2,868</u>
<b>4. Other Operating Income</b>		
Consultancy and Fee Income	1,967	3,207
Residences and Catering	3,686	3,802
Other Services Rendered	1,776	2,463
Released from Deferred Capital Grants	88	88
Other Income	1,279	979
	<u>8,796</u>	<u>10,539</u>



Napier University

Notes to the 2000-01 Accounts

	2000-01 £000s	1999-00 £000s
<b>5. Endowment and Investment Income</b>		
Transferred from Specific Endowments	3	3
Other Interest Receivable	575	464
	<u>578</u>	<u>467</u>
<b>6. Staff Costs</b>		
Wages and Salaries	32,305	33,443
Social Security Costs	2,353	2,499
Pension Costs	2,691	2,539
	<u>37,349</u>	<u>38,481</u>
Emoluments of the Principal and Vice-Chancellor	<u>138</u>	<u>134</u>

The emoluments of the Principal and Vice-Chancellor are shown on the same basis as for other higher paid staff. The Vice-Chancellor's emoluments are settled by the Remuneration Committee. These emoluments contain an element of performance related pay. The University's pension contributions to STSS are paid at the same rates as for other academic staff, and amounted to £6,434 (1999-00 - £6,278).

Average Staff Numbers by Major Category:

	2000-01 Number	1999-00 Number
Academic	560	550
Administrative/Clerical *	624	634
Technical	123	159
Manual	-	118
Research	60	84
	<u>1,367</u>	<u>1,545</u>

\* Administrative/Clerical staff includes staff previously on manual grades.

Remuneration of higher paid staff, excluding employer's pension contributions:

	2000-01	1999-00
	15	11
	2	3
£50,000 - £59,999	3	-
£60,000 - £69,999	-	1
£70,000 - £79,999	1	-
£80,000 - £89,999	-	-
£90,000 - £99,999	-	-
£100,000 - £109,999	-	-
£110,000 - £119,999	-	-
£120,000 - £129,999	1	1
£130,000 - £139,999		

Napier University

Notes to the 2000-01 Accounts

	2000-01 £000s	1999-00 £000s
<b>7. Other Operating Expenditure</b>		
Supplies and Maintenance	3,982	4,971
Residences and Catering	3,317	3,199
Napier University Ventures Limited	1,415	2,467
Property Maintenance	841	864
Other Expenses	2,289	1,464
Heat, Light and Power	871	795
Rent, Rates and Insurance	888	830
Early Retirement	767	1,610
Library Books and Services	670	629
Staff Development and Conferences	1,059	1,044
Hospitality	294	395
Postages and Telephone	607	547
Travel	545	409
Students' Association	300	300
Fees	68	51
Recruitment Costs	274	266
Advertising	373	521
Transport	129	189
Auditors' - External Audit	29	28
Fees - Internal Audit	26	34
- Other Services	4	6
	<u>18,748</u>	<u>20,618</u>

**8. Analysis of 2000-01 Expenditure by Activity**

	Staff Costs £000s	Other Operating Expenditure £000s	Deprecia tion £000s	Interest Payable £000s	Total £000s
Academic Departments	23,212	3,169	295	-	26,676
Academic Services	5,762	2,775	476	-	9,013
Central Administration	5,318	3,105	64	-	8,487
Property	776	2,650	847	73	4,346
Research Grants and Contracts	1,618 663	752 3,306	10 143	-	2,380 4,112
Residences and Catering	-	1,422	17	-	1,439
Consultancy Expenditure	-	1,569	-	-	1,569
Other Expenditure	1,481	-	-	-	1,481
Exceptional Restructuring Costs	<u>38,830</u>	<u>18,748</u>	<u>1,852</u>	<u>73</u>	<u>59,503</u>

Napier University

Notes to the 2000-01 Accounts

9. Residences and Catering Operations

	Residences ← 2000-01	Catering →	Total	Residences ← 1999-00	Catering →	Total
	£000s	£000s	£000s	£000s	£000s	£000s
Income	2,365	1,321	3,686	2,516	1,286	3,802
Cost of Goods Sold	-	505	505	-	546	546
Gross Profit	<u>2,365</u>	<u>816</u>	<u>3,181</u>	<u>2,516</u>	<u>740</u>	<u>3,256</u>
Remuneration Costs	63	599	<u>662</u>	73	590	<u>663</u>
Depreciation	124	19	<u>143</u>	124	1	<u>125</u>
Other Costs	<u>2,677</u>	<u>136</u>	<u>2,813</u>	<u>2,505</u>	<u>148</u>	<u>2,653</u>
	<u>2,864</u>	<u>754</u>	<u>3,618</u>	<u>2,702</u>	<u>739</u>	<u>3,441</u>
Surplus/ (Deficit)	<u>(499)</u>	<u>62</u>	<u>(437)</u>	<u>(186)</u>	<u>1</u>	<u>(185)</u>

Catering Gross Profit

61.8%

57.5%

Napier University

Notes to the 2000-01 Accounts

10. <b>Tangible Fixed Assets - Consolidated</b>	Land and Buildings £000s	Equipment £000s	2001 £000s	2000 £000s
<b>Cost</b>				
At 1 August	40,931	6,338	47,269	45,624
Additions	5,932	878	6,810	2,442
Disposals	(1,319)	(1,021)	(2,340)	(797)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 July	45,544	6,195	51,739	47,269
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At 1 August	4,031	4,327	8,358	7,350
Depreciation for the Year	828	1,024	1,852	1,799
Disposals	(151)	(1,021)	(1,172)	(791)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 July	4,708	4,330	9,038	8,358
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net Book Value at 31 July</b>	<u>40,836</u>	<u>1,865</u>	<u>42,701</u>	<u>38,911</u>
<b>Tangible Fixed Assets - University</b>				
	Land and Buildings £000s	Equipment £000s	2001 £000s	2000 £000s
<b>Cost</b>				
At 1 August	40,850	5,735	46,585	44,945
Additions	2,812	878	3,690	2,427
Disposals	(1,319)	(520)	(1,839)	(787)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 July	42,343	6,093	48,436	46,585
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At 1 August	4,021	3,752	7,773	6,780
Depreciation for the Year	826	1,010	1,836	1,780
Disposals	(151)	(520)	(671)	(787)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 July	4,696	4,242	8,938	7,773
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net Book Value at 31 July</b>	<u>37,647</u>	<u>1,851</u>	<u>39,498</u>	<u>38,812</u>

Napier University

Notes to the 2000-01 Accounts

	Cost	Valuation	Valuation
	£000s	2001	2000
		£000s	£000s
<b>11. Investments</b>			
CVCP Properties - 31,876 Ordinary Shares of £1 each	32	32	32
Scottish Knowledge - 16,877 Ordinary Shares of £1 each	17	17	17
£25,500 2 <sup>1/2</sup> % Index-Linked Treasury Stock 2001	46	55	54
£9,700 2 <sup>1/2</sup> % Index-Linked Treasury Stock 2003	18	21	20
£93,000 4 <sup>3/8</sup> % Index-Linked Treasury Stock 2004	107	123	121
£72,400 2% Index-Linked Treasury Stock 2006	133	171	169
£34,800 2 <sup>1/2</sup> % Index-Linked Treasury Stock 2009	57	75	76
£49,700 2 <sup>1/2</sup> % Index-Linked Treasury Stock 2011	84	113	115
£81,100 2 <sup>1/2</sup> % Index-Linked Treasury Stock 2013	113	156	158
£103,300 2 <sup>1/2</sup> % Index-Linked Treasury Stock 2016	154	218	224
£77,300 2 <sup>1/2</sup> % Index-Linked Treasury Stock 2020	109	163	169
£137,200 2 <sup>1/2</sup> % Index-Linked Treasury Stock 2024	164	252	265
£141,300 4 <sup>1/8</sup> % Index-Linked Treasury Stock 2030	166	252	273
* Unlisted Investments	36	4	3
	<u>1,236</u>	<u>1,652</u>	<u>1,696</u>
* Held by Napier University Ventures Limited			
	Cost	Valuation	Valuation
	£	2001	2000
		£	£
<b>12. Endowment Asset Investments</b>			
<b>Fixed Interest Stocks:</b>			
£25,000 8% Treasury Stock 2002/2006	24,091	25,813	25,887
£9,547 5 <sup>1/2</sup> % Treasury Stock 2008/2012	5,200	9,788	9,594
£5,520 2 <sup>1/2</sup> % Index-Linked Treasury Stock 2011	12,764	12,596	12,782
	<u>42,055</u>	<u>48,197</u>	<u>48,263</u>
<b>Equities:</b>			
1,500 British Telecommunications 25p Ordinary Shares	4,841	7,320	13,230
2,120 Scottish Power 50p Ordinary Shares	7,509	10,388	11,872
1,000 Land Securities £1 Ordinary Shares	5,823	8,780	7,740
1,000 GlaxoSmithKline 25p Ordinary Shares	6,255	20,270	19,220
1,000 P & O £1 Deferred Stock	2,742	2,605	5,390
1,000 P & O Princess Cruises US\$ 0.50 Ordinary Shares	3,315	3,722	-
2,800 BP US\$ 0.25 Ordinary Shares	5,848	16,338	16,352
12,500 Fleming Income & Capital Trust 25p Ordinary Shares	9,835	13,906	15,250
	<u>46,168</u>	<u>83,329</u>	<u>89,054</u>
Bank Balances		81,542	70,028
Investment Debtors		120	641
		<u>213,188</u>	<u>207,986</u>

Napier University

Notes to the 2000-01 Accounts

	Consolidated		University	
	2001	2000	2001	2000
	£000s	£000s	£000s	£000s
<b>13. Stocks</b>				
Stocks for Resale	34	26	34	26
Other Stocks	22	8	22	8
	<u>56</u>	<u>34</u>	<u>56</u>	<u>34</u>
<b>14. Debtors</b>				
Trade Debtors	2,114	1,809	1,589	1,059
Other Debtors	7,155	7,261	160	261
Prepayments and Accrued Income	841	962	751	679
Research	420	428	420	428
Subsidiary Undertakings	-	-	618	1,023
	<u>10,530</u>	<u>10,460</u>	<u>3,538</u>	<u>3,450</u>
<b>15. Creditors due within one year</b>				
	2,340	3,131	1,729	1,751
Trade Creditors	1,438	1,438	1,354	1,379
Taxation and Social Security	6,387	7,238	11	65
Other Creditors	3,656	4,144	3,243	4,008
Accruals and Deferred Income	935	1,201	935	1,201
Research	-	-	53	454
Subsidiary Undertakings	<u>14,756</u>	<u>17,152</u>	<u>7,325</u>	<u>8,858</u>

# Napier University

## Notes to the 2000-01 Accounts

### 16. Provisions for Liabilities and Charges

#### Unfunded Pension Liability

The University obtains an independent actuarial valuation, on an annual basis, of the future costs associated with staff who have been granted early retirement. This is used to establish the level of provision required for the unfunded pension liability at the year end. Movements in the provision are shown below:

	2001 £000s	2000 £000s
Balance at 1 August	10,495	6,386
Income from Investments	42	41
Early Retirement Pensions	(651)	(484)
Transfer from Income & Expenditure Account	2,078	4,552
Balance at 31 July	11,964	10,495

#### Pension Schemes

There are two main pension schemes operated for University staff, as noted below:

For the year ended 31 July 2001 the University has accounted for these schemes under SSAP24 and the required disclosures are made at (a) below. FRS17 - Retirement Benefits becomes fully effective for the University in the year ended 31 July 2003. For the current year to 31 July 2002, transitional arrangements apply and these are provided in (b) to the extent they are not provided in (a).

(a) SSAP24

**The Scottish Teachers Superannuation Scheme ("STSS")** is the principal scheme for University academic staff. It is a defined benefit scheme which is externally funded and contracted out of the State Earnings Related Pensions Scheme ("SERPS"). The cost of contributions to the STSS during the year was £1,066m. The University is one of many employers who participate in the scheme.

The STSS is a notionally funded scheme as all benefits are paid by the Exchequer and as such, no specific assets are held to fund pension liabilities. Fund assets are defined as notional investments held at the valuation date plus estimated future contributions. Liabilities of the fund are calculated as current pension costs plus the estimated cost of future benefits.

The most recent actuarial valuation was performed for the five year period to 31 March 1996. For valuation purposes, notional assets were deemed to be invested at current market prices in government securities. Liabilities were valued using a prospective benefits valuation method. The following assumptions were made for notional valuation purposes:

Gross Rate of Interest	8.5%
Future Price Increases	5.0%
Earnings Increases	6.5%

This resulted in a total assets valuation of £6,890m, a total liabilities valuation of £7,120m and a balance of liability of £230m. Employer contributions are currently 6.9% of salary and will rise to 7.15% of salary effective 1 April 2002.

Transitional guidance applies to the STSS for the five year period to 31 March 1996, such that an alternative valuation was established for a notional fund which took account of pension increases. This was performed using a standardised portfolio approach such that the notional assets were deemed to be invested in a portfolio equivalent to an average portfolio of a large pension fund. This valuation produced a recommended employer contribution rate of 10.10% of salaries.

## Napier University

### Notes to the 2000-01 Accounts

#### 16. Pension Schemes (Cont'd)

As the alternative contribution rate is higher, it does not impact on current recommendations for employer contributions. Actuarial valuations for periods after 1 April 1996 will be performed on the alternative valuation basis.

**The Local Government Pension Scheme ("LGPS")** is the principal scheme for non-academic staff of the University. It is a defined benefit scheme, which is externally funded and contracted out of SERPS. The cost of contributions to the LGPS during the year was £1,625m. The University is one of many employers who participate in the scheme.

The most recent actuarial valuation was performed for the three year period to 31 March 1999 using the projected unit method. The following assumptions were made for actuarial valuation purposes:

Investment Returns	-	6.3%
Equities		5.1%
Investment Returns	-	4.3%
Bonds		2.8%
Pay Increases		
Price		
Inflation/Pension		
Increases		



The market value of the assets at the valuation date was £1,610m with an actuarial valuation of £1,483m. The liabilities of the scheme have been valued at £1,571m resulting in a deficit of £89m. On the basis of actuarial recommendations, employer contributions were 225% of employee contributions for the period to 31 March 2001, rising to 250% and 275% from 1 April 2001 and 1 April 2002 respectively.

(b) FRS17

The **STSS** is a multi employer scheme and it is not possible to identify each employee's share of the underlying notional assets and liabilities of the scheme.

In these circumstances, FRS17 provides for contributions to the scheme to be accounted for as if it were a deferred contribution scheme and as such the cost recognised in the University's Income & Expenditure Account will be equal to the contributions payable to the scheme.

The valuation at 31 March 1996 revealed a balance of liability of £230m for the scheme as a whole. The University's contribution of 7.15% of salaries includes a supplementary contribution of 0.75% established to eliminate this balance over a period of 40 years commencing 1 April 2002 on the basis of actuarial assumptions made.

The **LGPS** is a multi employer scheme for which the University has been unable to identify its share of the underlying assets and liabilities of the scheme. In these circumstances, FRS17 provides for contributions to the scheme to be accounted for as if it were deferred contribution scheme and as such the cost recognised in the University's Income & Expenditure Account will be equal to the contributions payable to the scheme.

The valuation at 31 March 1996 revealed a deficit of £89m for the scheme as a whole. The recommended employer contributions have been established to fund this deficiency over a period of 15 years.

Napier University

Notes to the 2000-01 Accounts

	SHEFC £000s	Other £000s	Total £000s
<b>17. Deferred Capital Grants - Consolidated</b>			
<b>Balance at 1 August 2000</b>			
Buildings	23,588	2,529	26,117
Equipment	535	17	552
	<hr/>	<hr/>	<hr/>
	24,123	2,546	26,669
<b>Received during year</b>			
Buildings	718	-	718
Equipment	-	-	-
	<hr/>	<hr/>	<hr/>
	718	-	718
<b>Released to Income &amp; Expenditure Account</b>			
Buildings	813	79	892
Equipment	154	9	163
	<hr/>	<hr/>	<hr/>
	967	88	1,055
<b>Balance at 31 July 2001</b>			
Buildings	23,493	2,450	25,943
Equipment	381	8	389
	<hr/>	<hr/>	<hr/>
	23,874	2,458	26,332
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Napier University

Notes to the 2000-01 Accounts

	SHEFC £000s	Other £000s	Total £000s
17. <b>Cont'd</b>			
<b>Deferred Capital Grants - University</b>			
<b>Balance at 1 August 2000</b>			
Buildings	23,588	2,529	26,117
Equipment	535	-	535
	<hr/>	<hr/>	<hr/>
	24,123	2,529	26,652
	<hr/>	<hr/>	<hr/>
<b>Received during year</b>			
Buildings	718	-	718
Equipment	-	-	-
	<hr/>	<hr/>	<hr/>
	718	-	718
	<hr/>	<hr/>	<hr/>
<b>Released to Income &amp; Expenditure Account</b>			
	813	79	892
Buildings	154	-	154
Equipment	<hr/>	<hr/>	<hr/>
	967	79	1,046
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 July 2001</b>			
	23,493	2,450	25,943
Buildings	381	-	381
Equipment	<hr/>	<hr/>	<hr/>
	23,874	2,450	26,324
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Napier University

Notes to the 2000-01 Accounts

	Consolidated and University		
	Specific £000s	General £000s	Total £000s
<b>18. Endowment Funds</b>			
At 1 August 2000	208	-	208
Additions	2	-	2
Depreciation of Endowment Asset Investments	(5)	-	(5)
Income for Year	11	-	11
Transferred to Income & Expenditure Account	(3)	-	(3)
	<hr/>	<hr/>	<hr/>
At 31 July 2001	213	-	213
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

<b>Endowment Funds:</b>	2001 £	2000 £
Clark Bequest - Narrower Range	56,348	53,989
Clark Bequest - Wider Range	103,953	105,267
James Dick Memorial	1,295	1,221
Heriot-Watt College Prize	926	879
Heriot-Watt College Printing Prize	360	341
Heriot-Watt College Frank P Restall	497	465
Blyth & Blyth Service Co Fund	472	441
J B Scott Memorial	258	314
John Napier Memorial	341	325
David McMillan Memorial	211	206
R A Farmer Memorial	917	941
Karen Fretwell Memorial	5,979	5,951
Lloyd's of London Press Prize	335	319
Lothian College of Health Studies - Amenities Fund	1,123	1,071
Lothian College of Health Studies - Educational Development Fund	28,659	27,330
Lothian College of Health Studies - Marion	8,649	8,248
MacDonald Trust Fund	711	678
Steven Spooner Memorial	327	-
James Hunt Fund	1,827	-
Heather Bell Fund	<hr/>	<hr/>
	213,188	207,986
	<hr/> <hr/>	<hr/> <hr/>

Napier University

Notes to the 2000-01 Accounts

19. Reserves

	Consolidated		University	
	2001 £000s	2000 £000s	2001 £000s	2000 £000s
<b>Income &amp; Expenditure Account</b>				
Balance at 1 August	5,424	7,112	5,531	7,204
Surplus/(Deficit) for Year	3,033	(1,688)	3,143	(1,673)
Balance at 31 July	8,457		8,674	
		5,424		5,531
<b>Revaluation Reserve</b>				
Balance at 1 August	493		493	
Appreciation of Investments	(44)		(44)	
Balance at 31 July	449	452	449	452
		41		41
<b>Total Reserves</b>	<b>8,906</b>		<b>9,123</b>	
		493		493
		5,917		6,024

# Napier University

## Notes to the 2000-01 Accounts

### 20. **Subsidiary Undertakings**

Napier University Ventures Limited, a company limited by guarantee, is not a legal subsidiary of the University. However as the University exercises a dominant influence, it is treated as a subsidiary for financial reporting.

The Company's Profit and Loss Account is detailed below:

	2000-01 £000s	1999-00 £000s
<b>Turnover</b>	2,456	4,111
Consultancy Expenses	1,414	2,683
	<hr/>	<hr/>
<b>Gross Profit</b>	1,042	1,428
Administrative Expenses	25	39
	<hr/>	<hr/>
<b>Operating Profit</b>	1,017	1,389
Interest Receivable	62	66
	<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>	1,079	1,455
	1,095	1,470
Deed of Covenant to Napier University	<hr/>	<hr/>
	(16)	(15)
	<hr/> <hr/>	<hr/> <hr/>
<b>Loss for year</b>		

Napier University

Notes to the 2000-01 Accounts

	2000-01 £000s	1999-00 £000s
<b>21. Reconciliation of Surplus/(Deficit) to Net Cash Flow from Operating Activities</b>		
Surplus/(Deficit)	3,033	(1,688)
Depreciation of Tangible Fixed Assets	1,852	1,799
Deferred Capital Grants Released to Income	(1,055)	(953)
Investment Income	(588)	(475)
(Gain)/Loss on Sale of Tangible Fixed Assets	60	-
Gain on Realisation of Investments	-	(13)
(Increase)/Decrease in Stocks	(22)	5
Increase in Debtors	(70)	(7,249)
Increase/(Decrease) in Creditors	(2,396)	7,650
Increase in Provisions	1,427	4,068
	<hr/>	<hr/>
<b>Net cash inflow from operating activities</b>	<b>2,241</b>	<b>3,144</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>22. Reconciliation of Net Cash Flow to Movements in Net Funds</b>		
	(2,113)	1,251
Increase/(Decrease) in Cash	-	-
Cash Inflow from Increase in Debt	<hr/>	<hr/>
	(2,113)	1,251
Movement in Net Funds	9,132	7,881
Net Funds at 1 August	<hr/>	<hr/>
	7,019	9,132
Net Funds at 31 July	<hr/> <hr/>	<hr/> <hr/>
<b>23. Access Funds</b>		
Balance at 1 August	17	2
SAAS Grants Received	532	505
Interest Earned	16	15
	<hr/>	<hr/>
	565	522
Disbursed to Students	490	505
	<hr/>	<hr/>
Balance at 31 July	75	17
	<hr/> <hr/>	<hr/> <hr/>

Access Funds are available solely for students; the University acts only as paying agent. The Grants and related disbursements are therefore excluded from the Income & Expenditure Account.