

**University of East Anglia**

**Financial Statements**

**2000 - 2001**



**University of East Anglia**

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**Vice-Chancellor**

Vincent Watts, MA MSc FCA FIMC

**Treasurer**

Stuart Holmes, FCA

**Director of Finance**

Charles W Morland, CPFA

**Deputy Director of Finance**

Roger A Pipes, FCA

**Bankers**

Barclays Bank plc  
Gurneys Bank  
Bank Plain  
Norwich  
NR2 4SP

**Investment Managers**

Phillips & Drew Fund Management Limited  
Triton Court  
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EC2A 1PD

**Auditors**

RSM Robson Rhodes  
Daedalus House  
Station Road  
Cambridge  
CB1 2RE

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# Treasurer's report

## Outturn on Activities

The University earned an operating surplus in the year of £2.5 million (1999-2000, £2.0 million before exceptional items). This surplus was larger than anticipated partly due to delays in incurring cost and partly to a higher recovery of contract costs than budgeted.

Turnover rose to £90.2 million from £82.8 million (1999-2000) reflecting increased activity particularly in research grants and contracts where income increased year on year by £3.9 million to £19.6million. Of this income, £3.1 million (1999-2000 £2.4 million) is a contribution to University overheads. Income from this source is anticipated to increase in 2001-02.

Income from tuition fees and from teaching contracts increased by £1.4 million of which £0.4 million related to full time Home/EU students, £0.6 million to full time international students and £0.4 million to Teaching Contracts.

Other Income increased by £2.5 million of which £2.0 million (including £0.9 million of Deferred Capital Grant released) related to the new Sports Park which opened to the public in September 2000. The financial performance of the Sports Park has exceeded expectations.

Expenditure increased to £87.6 million (1999-2000 £78.9 million). Increases in costs included a £4.8 million year on year growth in staff costs largely reflecting increased activity on externally funded research grants and contracts, costs associated with the running of the Sports Park and increases in depreciation of £1.9 million.

The rise in the annual depreciation charge to £6.7 million reflects the continuing growth in the size of the University estate. Of this, approximately half was met from deferred capital grants, with the balance falling on University general funds.

## Reserves

Our reserves increased by £2.5 million to £29.0 million of which £4.4 million represents the cash backed strategic reserve.

## Investment of Resources

The value of fixed tangible assets, namely land and buildings and equipment, increased during the year by £4.7 million. The main driver for this increase was additions of £11.5 million.

It remains important that we continue to be able to attract grant funding for the construction and refurbishment of fixed assets as our operating income is insufficient to finance those costs in full. Much of the £11.5 million capital expenditure incurred in 2000-01 was on projects funded in part by external grants; these included starts on the new Medical School, £0.5 million, and a major refurbishment of part of the teaching wall to provide the new Laboratory for Global and Marine Atmospheric Chemistry £0.7 million. Significant improvements were also made to the University Data Network both for academic and administration use and significant progress was made in installing data cables to all student residences. Preliminary work was also undertaken on the Institute for Connective Environmental Research, £0.4 million.

Net current assets increased to £10.6 million (1999-2000 £9.8 million) which is a healthy position. We continue to manage our working capital to generate cash thereby maximizing our investment income. At the end of the year there was an uplift in contract debtors reflecting increased activity. This investment in working capital is expected to be temporary.

## Conclusion

Thanks to prudent management throughout the University, our financial base continues to be stable in a period of sustained pressure on sources of revenue and heightened financial risk. By way of illustration, capital projects in various stages of planning total some £50 million of which some £4.6 million is earmarked to be financed from internal resources. The balance is planned to be raised from grants, loans and public appeal. Shortfalls in funding or overruns of costs fall on our reserves, which are small in relation to the potential risks. We look forward to a challenging future, but one full of opportunities.

Stuart Holmes

3 December 2001

# Corporate Governance Statement

- 1 The following statement is provided to enable readers of the Financial Statement of the University to obtain a better understanding of the governance and legal structure of the University.
- 2 The University endeavours to conduct its business in accordance with the seven principles identified by the Nolan Committee on Standards in Public Life (selflessness; integrity; objectivity; accountability; openness; honesty; leadership) and with the guidance to universities which has been provided by the Committee of University Chairmen in its 'Guide for Members of Governing Bodies in Universities in England and Wales'.
- 3 The University is an independent corporation, whose legal status derives from a Royal Charter originally granted in 1963, its objects, powers and framework of governance are set out in the Charter and its supporting Statutes, the latest version of which was approved by the Privy Council in 1992. The Charter and Statutes are published annually in the Calendar, available from the University.
- 4 The Charter and Statutes require the University to have three separate bodies, each with clearly defined functions and responsibilities, to oversee and manage its activities.
  - 4.1 The Council is the executive governing body, responsible for the finance, property, investments and general business of the University and for setting the general strategic direction of the institution. It has a majority of members from outside the University, who are described as lay members. These include the Chairman, the Treasurer (an honorary post) and twelve members, all appointed by the Council itself, and seven members appointed by local authorities in Norfolk and Suffolk. Also included in its members are the senior officers and representatives of the staff of the University and of the student body. None of the lay members receive any payment, apart from the reimbursement of expenses, for the work which they do for the University.
  - 4.2 The Senate is the academic authority of the University and draws its membership entirely from the academic and academic related staff and the students of the institution. Its role is to direct and regulate the teaching and research work of the University.
  - 4.3 The Court is a large mainly formal body (somewhat akin to the shareholders' meeting of a public company), which normally meets once a year to receive the Annual Report and Financial Statements of the University. It also appoints the Chancellor, who as the titular head of the University presides at meetings of the Court and at Congregation for the award of degrees and other qualifications. The membership of the Court is very largely from outside the University. The formal membership is drawn from individuals and organisations, mostly within East Anglia, with connections with the University and with the public life of the region. However, the University widens attendance at Court meetings by inviting in addition an extensive range of others interested in the work of the University. There are also some representatives of University staff and of the student body.
- 5 The principal academic and administrative officer of the University is the Vice-Chancellor who has a general responsibility to the Council for maintaining and promoting the efficiency and good order of the University and who is the Chairman of the Senate. Under the terms of the formal Financial Memorandum between the University and the Higher Education Funding Council for England, the Vice-Chancellor is the designated Accounting Officer of the University and in that capacity can be summoned to appear before the Public Accounts Committee of the House of Commons.
- 6 Although the Council meets at least four times each academic year, much of its detailed business is handled by committees, in particular the Planning and Resources Committee, the Human Resources Policy Committee, the Council Membership Committee, the Senior Officers Remuneration Committee and the Audit Committee. These committees make formal reports and recommendations to the Council in accordance with their terms of reference. These committees, and a number of others, are formally constituted as sub-committees of the Council with written terms of reference, specified membership, including a proportion of lay members, and delegated powers.

## Corporate Governance Statement (Continued)

- 7** As Chief Executive of the University, the Vice-Chancellor exercises considerable influence upon the development of institutional strategy, the identification and planning of new developments and the shaping of the institutional ethos. The Pro-Vice Chancellors, who are senior members of the academic or academic services staff appointed to assist the Vice-Chancellor, and the senior academic and administrative officers all contribute in various ways to this aspect of the work, but the ultimate responsibility for what is done rests with the Vice-Chancellor.
- 8** The Statutes of the University specify that the Registrar and Secretary should act as Secretary of the Council and any enquiries about the constitution and governance of the University should be addressed to the Registrar and Secretary at the University.
- 9** The University maintains a Register of interests of members of Council, it may be consulted by persons having adequate reasons to do so by arrangement with the Registrar and Secretary.
- 10** The University is always interested to hear from or about individuals who might be interested in playing a part in its affairs by becoming a member of the Council, or of one of its committees. The Council itself, members of and attenders at the Court and the University community, are routinely asked for suggestions. Suggestions may also be at any time to the Registrar and Secretary

# Statement of Council's responsibilities

In accordance with the Royal Charter, the Council of the University of East Anglia is responsible for the administration and management of the affairs of the University and group and is required to present audited accounts for each financial year.

The Council is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the University and enable it to ensure that the accounts are prepared in accordance with the Royal Charter, the Statement of Recommended Practice: Accounting in Higher Education Institutions, guidance issued by the Higher Education Funding Council for England ("HEFCE") and relevant accounting standards. In addition, within the terms and conditions of a Financial Memorandum agreed between the HEFCE and the Council, the Council, through its designated office holder, is required to prepare accounts for each financial year which give a true and fair view of the state of the affairs of the University and group and of the surplus or deficit and cash flows for that year.

In causing the accounts to be prepared, the Council has to ensure that:

- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable United Kingdom 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 and group will continue in operation.

The Council has taken reasonable steps to :

- ensure that funds from the HEFCE are used only for the purposes for which they have been given and in accordance with the Financial Memorandum with the HEFCE and any other conditions which the HEFCE 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 group and to prevent and detect fraud and other irregularities;
- secure the economic, efficient and effective management of the University's and group's resources and expenditure.

Signed on behalf of Council

3 December 2001

# Independent auditors' report to the Council of the University of East Anglia

We have audited the financial statements on pages 7 to 26.

## Respective responsibilities of the Council and Auditors

As described on page 5, the Council is responsible for preparing the financial statements. It is our responsibility to form an independent opinion, based on our audit, on the financial statements, and to report as to whether the financial statements give a true and fair view and are properly prepared in accordance with the relevant guidance.

We also report to you whether, income from funding bodies, grant and income for specific purposes and from restricted funds administered by the University have been properly applied for the purposes for which they were received and whether income has been applied in accordance with the University's statutes, the financial memorandum with HEFCE and the TTA funding agreement.

We also, at the request of the Council, review whether the statement on pages 3 and 4 reflects the University's compliance with the relevant provisions of the Combined Code specified for our review by the Council, and we report if it does not.

## Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board and the HEFCE code of Audit practice. 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 Council 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 us reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## Opinion

In our opinion:

- i the financial statements give a true and fair view of the state of the affairs of the University and the group as at 31 July 2001 and of the surplus of income over expenditure and cash flow of the group 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;
- ii income from the Higher Education Funding Council for England ("HEFCE") and the Teacher Training Agency ("TTA"), grants and income for specific purposes and from other restricted funds administered by the University during the year ended 31 July 2001 have been applied only for the purposes for which they were received ; and
- iii income during the year ended 31 July 2001 has been applied in accordance with the University's Statutes and where appropriate with the Financial Memorandum dated August 2000 with the HEFCE and the funding agreement dated July 1996 with the TTA.

RSM Robson Rhodes

Chartered Accountants

Registered Auditors

Daedalus House, Station Road, Cambridge, CB1 2RE

5 December 2001



# Statement of accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the University's financial statements.

## 1 Basis of preparation

The financial statements have been prepared under the historical cost convention, modified by the revaluation of endowment asset investments, in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education ("the SORP") and in accordance with applicable accounting standards.

## 2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the University and all subsidiary undertakings for the year ended 31 July 2001. The University does not exercise a dominant influence on the Union of UEA Students and therefore the accounts of that body are not consolidated.

## 3 Recognition of income

Income from specific endowments, research grants and other contracts is included to the extent of the expenditure incurred during the year, together with any related contributions towards overhead costs. All income from short term deposits is credited to the income and expenditure account on a receivable basis.

## 4 Pension costs

The two principal pension schemes for the University's staff are the national Universities Superannuation Scheme and the University of East Anglia Staff Superannuation Scheme, both defined benefit schemes contracted out of the State Earnings-Related Pension Scheme. The schemes are valued every three years by actuaries using the projected unit method, the rates of contributions payable being determined by the trustees on the advice of the actuaries. Pension costs are assessed 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. Unless it is considered prudent to recognise deficiencies over a shorter period, variations from regular cost are spread over the expected average remaining working life of members of the schemes after making allowance for future withdrawals.

## 5 Fixed tangible assets and depreciation

Fixed tangible assets are those tangible assets intended to be used on a continuing basis in the activities of the University or of its subsidiary companies.

- a Land and buildings are stated at cost including attributable interest or valuation at date of donation. Land is held freehold and is not depreciated. Buildings are depreciated over their expected useful life of 50 years, on a straight line basis.
- b Adaptions and remodelling of buildings are capitalised at cost and are depreciated over their expected useful life of between fifteen and twenty five years, on a straight line basis.
- c Plant & equipment are capitalised at cost and are depreciated over their expected useful lives on a straight line basis, equipment over four years and plant over fifteen years.
- d Art collections donated to the University are stated at estimated valuation at the date of receipt and purchased additions are capitalised at cost. These assets are not depreciated. No current valuations of the University's art collections are included in the financial statements since in the Council's opinion such valuations could not adequately reflect either the terms on which the collections are held or their enormous significance to the University.

## 6 Library books and periodicals

Expenditure on books, periodicals and other documents acquired by the Library is charged to revenue in the year incurred.

## 7 Investments

Endowment asset investments are included in the balance sheet at market value. Current asset investments are included at the lower of cost and net realisable value. Investments in subsidiary companies are included in the balance sheet at the lower of cost and the value of the underlying net assets, using the University's accounting policies. Endowment asset investments include cash and short term deposits so that endowment asset investments equal specific endowments in the balance sheet.

# Statement of accounting policies (continued)

## 8 Deferred capital grants

Where a fixed asset is donated to the University or acquired with the aid of a specific grant or gift, the related grant or gift is treated as a deferred capital grant and is released to income over the expected useful life of the asset.

## 9 Specific endowments

The unspent balances of bequests and gifts received, for which the use of the capital and income or only the income is restricted to specific purposes designated by the donors, are included in the balance sheet as specific endowments. Transfers are made from specific endowments to income or to deferred capital grants as appropriate to match funded expenditure.

## 10 Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the year end. Gains and losses on translation are included in the income and expenditure account.

## 11 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 1988. The University receives no similar exemption in respect of Value Added Tax.

## 12 Stock valuation

Stock is valued at the lower of cost and net realisable value.

## 13 Cash flows and liquid resources

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

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

## 14 Leases

Leasing agreements which transfer to the University substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against income and expenditure in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the useful lives of equivalent owned assets.

# Consolidated income and expenditure account for the year ended 31 July 2001

	<i>Note</i>	2001 £000	2000 £000
<b>Income</b>			
Funding council grants	<i>1</i>	29,363	28,120
Tuition fees and education contracts	<i>2</i>	23,022	21,634
Research grants and contracts	<i>3</i>	19,568	15,706
Exceptional item - VAT refund		-	1,618
Exceptional item - rate rebate		-	240
Other income	<i>4</i>	16,322	13,828
Endowment and investment income	<i>5</i>	1,879	1,612
Total income		<u>90,154</u>	<u>82,758</u>
<b>Expenditure</b>			
Staff costs	<i>6</i>	52,046	47,200
Depreciation	<i>11</i>	6,720	4,787
Other operating expenses	<i>7</i>	26,317	24,380
Interest payable	<i>8</i>	2,557	2,494
Total expenditure		<u>87,640</u>	<u>78,861</u>
<b>Surplus before tax</b>		2,514	3,897
Taxation	<i>10</i>	(4)	(6)
<b>Surplus for the financial year</b>		<u>2,510</u>	<u>3,891</u>

The income and expenditure for the two years relate entirely to continuing operations.

The University of East Anglia has no revalued assets and there is, therefore, no difference between the results as reported and the historical cost results for either year.

The notes on pages 14 to 26 form part of these financial statements.

# Consolidated balance sheet as at 31 July 2001

	<i>Note</i>	2001 £000	2000 £000
<b>Fixed assets</b>			
Tangible assets	11	91,719	86,977
Other investments	21	45	35
		<u>91,764</u>	<u>87,012</u>
<b>Endowment assets</b>	12	<u>3,716</u>	<u>3,994</u>
<b>Current assets</b>			
Stocks		457	443
Debtors	13	12,195	9,410
Investments	14	10,854	12,392
Cash at bank and in hand		3,814	2,694
		<u>27,320</u>	<u>24,939</u>
<b>Creditors : Amounts falling due within one year</b>	15	<u>(16,675)</u>	<u>(15,185)</u>
<b>Net current assets</b>		10,645	9,754
<b>Total assets less current liabilities</b>		<u>106,125</u>	<u>100,760</u>
<b>Creditors: Amounts falling due after more than one year</b>	16	(28,141)	(27,581)
<b>Provisions for liabilities and charges</b>	17	(1,861)	(1,660)
<b>Total net assets</b>		<u>76,123</u>	<u>71,519</u>
<b>Represented by:</b>			
<b>Deferred capital grants</b>	18	43,431	41,059
<b>Specific endowments</b>	19	3,716	3,994
<b>Reserves</b>			
General reserve	20	28,976	26,466
<b>Total funds</b>		<u>76,123</u>	<u>71,519</u>

The financial statements were approved by the Council on 3 December 2001 and have been signed on its behalf by:

Vincent Watts

Vice-Chancellor

Stuart Holmes

Treasurer

Charles W Morland

Director of Finance

The notes on pages 14 to 26 form part of these financial statements.

# University balance sheet as at 31 July 2001

	<i>Note</i>	2001 £000	2000 £000
<b>Fixed assets</b>			
Tangible assets	<i>11</i>	84,162	79,112
Investments in subsidiaries	<i>27</i>	6,203	6,313
Other investments	<i>21</i>	35	35
		<u>90,400</u>	<u>85,460</u>
<b>Endowment assets</b>	<i>12</i>	<u>3,716</u>	<u>3,994</u>
<b>Current assets</b>			
Stocks		457	443
Debtors	<i>13</i>	12,132	9,797
Investments	<i>14</i>	10,854	12,392
Cash at bank and in hand		2,675	1,916
		<u>26,118</u>	<u>24,548</u>
<b>Creditors : Amounts falling due within one year</b>	<i>15</i>	<u>(16,104)</u>	<u>(15,322)</u>
<b>Net current assets</b>		10,014	9,226
<b>Total assets less current liabilities</b>		<u>104,130</u>	<u>98,680</u>
<b>Creditors: Amounts falling due after more than one year</b>	<i>16</i>	(26,592)	(25,876)
<b>Provisions for liabilities and charges</b>	<i>17</i>	(1,861)	(1,660)
<b>Total net assets</b>		<u><u>75,677</u></u>	<u><u>71,144</u></u>
<b>Represented by:</b>			
<b>Deferred capital grants</b>	<i>18</i>	43,431	41,059
<b>Specific endowments</b>	<i>19</i>	3,716	3,994
<b>Reserves</b>			
General reserve	<i>20</i>	28,530	26,091
<b>Total funds</b>		<u><u>75,677</u></u>	<u><u>71,144</u></u>

The financial statements were approved by the Council on 3 December 2001 and have been signed on its behalf by:

Vincent Watts

Vice-Chancellor

Stuart Holmes

Treasurer

Charles W Morland

Director of Finance

The notes on pages 14 to 26 form part of these financial statements.

# Consolidated cash flow statement for the year ended 31 July 2001

	Note	2001		2000	
		£000	£000	£000	£000
<b>Net cash inflow from operating activities</b>	22		5,590		7,614
<b>Returns on investments and servicing of finance</b>					
Interest and dividends received		1,130		903	
Interest paid		<u>(2,557)</u>		<u>(2,494)</u>	
<b>Net cash outflow from returns on investments and servicing of finance</b>			(1,427)		(1,591)
<b>Taxation</b>			(4)		(6)
<b>Capital expenditure and financial investment</b>					
Payments to acquire fixed tangible assets		(12,013)		(16,692)	
Payments to acquire endowment assets		(26)		(23)	
Capital grants received		5,551		11,784	
Endowments received		<u>555</u>		<u>622</u>	
<b>Net cash outflow from capital expenditure and financial investment</b>			(5,933)		(4,309)
<b>Cash (outflow)/inflow before use of liquid resources and financing</b>			<u>(1,774)</u>		<u>1,708</u>
<b>Management of liquid resources</b>					
Decrease/(increase) in short term deposits maturing within three months	23	538		(340)	
Decrease in short term deposits held as endowment funds	23	220		110	
Decrease in other short term deposits	23	1,000		-	
			1,758		(230)
<b>Financing</b>					
Capital element of finance lease rental payments	24	(148)		(265)	
Loans acquired	25	2,350		-	
Loans repaid	25	<u>(1,291)</u>		<u>(978)</u>	
			911		(1,243)
<b>Increase in cash</b>	23		<u>895</u>		<u>235</u>

Liquid resources include term deposits of less than a year, government securities and AA rated corporate bonds.

## Reconciliation of net cash flow to movement in net debt

Increase in cash in the period	895	235
Cash (inflow)/outflow from (increase)/decrease in debt	(911)	1,243
Cash (inflow)/outflow from (decrease)/increase in liquid resources	<u>(1,758)</u>	<u>230</u>
Change in net funds	(1,774)	1,708
Finance lease obligations entered into	-	(485)
Net debt at beginning of year	<u>(12,667)</u>	<u>(13,890)</u>
Net debt at end of year	<u><u>(14,441)</u></u>	<u><u>(12,667)</u></u>

The notes on pages 14 to 26 form part of these financial statements.

# Statement of consolidated total recognised gains and losses for the year ended 31 July 2001

	2001 £000	2000 £000
Surplus for the year	2,510	3,891
Depreciation of endowment asset investments	(84)	(3)
Endowments and endowment income disbursed for the year	(194)	(87)
Total recognised gains relating to the year	<u>2,232</u>	<u>3,801</u>
Opening reserves and endowments	30,460	26,659
Net gains as above	2,232	3,801
Closing reserves and endowments	<u>32,692</u>	<u>30,460</u>

The notes on pages 14 to 26 form part of these financial statements.

# Notes to the financial statements

	Consolidated	
	2001	2000
	£000	£000
<b>1 Funding council grants</b>		
Basic recurrent grant (HEFCE)	26,053	25,328
Basic recurrent grant (TTA)	1,466	1,435
Special grants (HEFCE)	1,301	342
Special grants (TTA)	37	213
Deferred capital grants released in the year (note 18)	506	802
	<u>29,363</u>	<u>28,120</u>
<b>2 Tuition fees and education contracts</b>		
Full-time students	7,932	7,560
Full-time students charged overseas fees	5,567	4,927
Part-time fees	1,549	1,469
Short course fees	1,348	1,505
Other Teaching Contracts	6,441	6,037
Research Training Support Grants	185	136
	<u>23,022</u>	<u>21,634</u>
<b>3 Research grants and contracts</b>		
Grants from research councils	7,123	5,618
Grants from UK charities	3,512	3,117
Other grants	8,933	6,971
	<u>19,568</u>	<u>15,706</u>
Included above are deferred capital grants released in the year of £1,465,000 (2000 £665,000).		
<b>4 Other income</b>		
Residences, catering and conferences	7,882	7,599
Other services rendered	1,651	1,986
Deferred capital grants released in the year	1,204	336
Donations received	204	154
Other income	5,381	3,753
	<u>16,322</u>	<u>13,828</u>
<b>5 Endowment and investment income</b>		
Transferred from specific endowments (note 19)	947	922
Income from current asset investments and cash balances	932	690
	<u>1,879</u>	<u>1,612</u>
<b>6 Staff costs</b>		
Wages and salaries	44,409	40,108
Social security costs	3,268	3,021
Other pension costs	4,369	4,071
	<u>52,046</u>	<u>47,200</u>
Emoluments of the Vice-Chancellor	127	122
	<u>127</u>	<u>122</u>

The emoluments of the Vice-Chancellors exclude the University's related pension contributions  
No pension contributions were paid during 2000 or 2001.



## Notes to the financial statements (continued)

### 6 Staff costs (continued)

The remuneration of other staff paid more than £50,000 in the year, excluding employer's pension contributions, fell in the following bands:

	Number of staff	
	2001	2000
£50,000 - £59,999	36	27
£60,000 - £69,999	5	9
£70,000 - £79,999	3	-
£80,000 - £89,999	1	-
	<u>45</u>	<u>36</u>

Average number of staff employed by category:

Academic	467	488
Research and analogous	352	322
Secretarial and clerical	462	470
Technical	138	147
Other related	177	126
Admin, senior library and computing	167	154
Others	442	426
	<u>2,205</u>	<u>2,133</u>

7 Other operating expenses	Consolidated	
	2001 £000	2000 £000
Residences, catering and conferences	2,007	2,373
Fellowships, scholarships and prizes	370	328
Library books and periodicals	1,071	918
Heat, light, water and power	1,222	900
Long-term maintenance	715	433
Grant to Union of UEA Students	326	318
Auditors' remuneration	40	46
Auditors' remuneration in respect of non-audit services	14	15
Other expenses	20,552	19,049
	<u>26,317</u>	<u>24,380</u>

Other operating expenses are analysed by activity at Note 9 below.

### 8 Interest payable

Bank and other loans wholly repayable within five years	3	5
Loans not wholly repayable within five years	2,554	2,489
	<u>2,557</u>	<u>2,494</u>

### 9 Analysis of consolidated expenditure by activity

	Staff costs £000	Depreciation £000	Other operating expenses £000	Interest payable £000	Total £000
Academic departments	27,713	1,117	7,551	-	36,381
Academic services	3,256	744	2,424	-	6,424
Research grants and contracts	9,720	1,465	5,289	-	16,474
Residences, catering and conferences	2,307	824	2,007	2,191	7,329
Other services rendered	589	5	748	-	1,342
Premises	2,476	2,403	3,450	366	8,695
Administration and central services	5,924	160	4,469	-	10,553
Other expenses	61	2	379	-	442
Total	<u>52,046</u>	<u>6,720</u>	<u>26,317</u>	<u>2,557</u>	<u>87,640</u>

# Notes to the financial statements (continued)

## 9 Analysis of consolidated expenditure by activity continued (2000)

	Staff costs £000	Depreciation £000	Other operating expenses £000	Interest payable £000	Total £000
Academic departments	25,785	1,197	7,247	-	34,229
Academic services	3,135	650	2,163	-	5,948
Research grants and contracts	7,880	665	4,761	-	13,306
Residences, catering and conferences	2,091	769	2,373	2,288	7,521
Other services rendered	783	5	1,223	-	2,011
Premises	2,436	1,376	2,629	206	6,647
Administration and central services	4,994	123	3,784	-	8,901
Other expenses	96	2	200	-	298
<b>Total</b>	<b>47,200</b>	<b>4,787</b>	<b>24,380</b>	<b>2,494</b>	<b>78,861</b>

	Consolidated 2001 £000	2000 £000
The depreciation charge has been funded by:		
Deferred capital grants released (Note 18)	3,179	1,807
General income	3,541	2,980
	<u>6,720</u>	<u>4,787</u>

## 10 Taxation

	Consolidated 2001 £000	2000 £000
UK Corporation Tax charge on the profits of subsidiary companies	<u>(4)</u>	<u>(6)</u>

## 11 Fixed tangible assets

	Consolidated				
	Freehold land and buildings £000	Assets in the course of construction £000	Furniture and equipment £000	Art collections £000	Total £000
<b>Cost or valuation</b>					
At the beginning of the year	76,735	17,111	28,937	6,449	129,232
Additions at cost	18,967	(13,830)	5,306	1,052	11,495
Disposals	(42)	-	(1,025)	-	(1,067)
At the end of the year	<u>95,660</u>	<u>3,281</u>	<u>33,218</u>	<u>7,501</u>	<u>139,660</u>
<b>Depreciation</b>					
At the beginning of the year	20,556	-	21,699	-	42,255
Charge for the year	2,823	-	3,897	-	6,720
Eliminated on disposals	(9)	-	(1,025)	-	(1,034)
At the end of the year	<u>23,370</u>	<u>-</u>	<u>24,571</u>	<u>-</u>	<u>47,941</u>
<b>Net book value</b>					
At the end of the year	<u>72,290</u>	<u>3,281</u>	<u>8,647</u>	<u>7,501</u>	<u>91,719</u>
At the beginning of the year	<u>56,179</u>	<u>17,111</u>	<u>7,238</u>	<u>6,449</u>	<u>86,977</u>

Included in furniture and equipment are leased assets. The net book value of these assets at 31 July 2001 was £1,866,000 (2000 £2,122,000) and depreciation during the period on these assets was £166,000 (2000 £151,000).

# Notes to the financial statements (continued)

## 11 Fixed tangible assets (continued)

	University				
	Freehold land and buildings £000	Assets in the course of construction £000	Furniture and equipment £000	Art collections £000	Total £000
<b>Cost or valuation</b>					
At the beginning of the year	70,121	17,111	26,484	6,449	120,165
Additions at cost	18,967	(13,830)	5,276	1,052	11,465
Disposals	-	-	(1,023)	-	(1,023)
At the end of the year	<u>89,088</u>	<u>3,281</u>	<u>30,737</u>	<u>7,501</u>	<u>130,607</u>
<b>Depreciation</b>					
At the beginning of the year	19,670	-	21,383	-	41,053
Charge for the year	2,691	-	3,724	-	6,415
Eliminated on disposals	-	-	(1,023)	-	(1,023)
At the end of the year	<u>22,361</u>	<u>-</u>	<u>24,084</u>	<u>-</u>	<u>46,445</u>
<b>Net book value</b>					
At the end of the year	<u>66,727</u>	<u>3,281</u>	<u>6,653</u>	<u>7,501</u>	<u>84,162</u>
At the beginning of the year	<u>50,451</u>	<u>17,111</u>	<u>5,101</u>	<u>6,449</u>	<u>79,112</u>

The acquisition and construction of buildings with cost totalling £22,579,000 and net book value (after depreciation) £12,804,000 was funded, in whole or in part, by grants totalling £14,873,000 from the Higher Education Funding Council for England ("HEFCE") and its predecessor councils. Under the terms of the Financial Memorandum between the HEFCE and the University, should any of these buildings be sold the University may have to pay to the HEFCE a proportion of the proceeds equal to the proportion of the cost which was grant-funded.

The University cannot sell or otherwise dispose of its art collections.

Freehold land & buildings includes a building funded in part by grants of £14,559,000 from the Sports Lottery Fund. As a condition of grant the operation of the building is regulated by a Community Use Agreement for a period of years expiring in August 2018.

## 12 Endowment assets

	Consolidated & University	
	2001 £000	2000 £000
Balance at beginning of year	3,994	4,084
Movement in funds held within UEA short term deposits	(220)	(110)
Additions	26	23
Appreciation, depreciation on disposal or revaluation	(84)	(3)
	<u>3,716</u>	<u>3,994</u>
Consisting of:		
UK equities	1,064	1,645
Fixed interest securities	884	1,195
Overseas funds	94	135
Other	272	310
Cash in hand and short term deposits	1,402	709
	<u>3,716</u>	<u>3,994</u>

## Notes to the financial statements (continued)

### 13 Debtors

	Consolidated	
	2001 £000	2000 £000
Debtors, advances and prepayments	12,195	9,410
	<u>12,195</u>	<u>9,410</u>

	University	
	2001 £000	2000 £000
Debtors, advances and prepayments	10,922	8,583
Amounts due from subsidiary undertakings	1,210	1,214
	<u>12,132</u>	<u>9,797</u>

### 14 Current asset investments

	Consolidated & University	
	2001 £000	2000 £000
Short term deposits maturing within three months	9,620	10,158
Other short term deposits	1,000	2,000
Other investments	234	234
	<u>10,854</u>	<u>12,392</u>

### 15 Creditors: amounts falling due within one year

	Consolidated	
	2001 £000	2000 £000
Revenue creditors, accruals and receipts in advance	13,446	12,087
Capital creditors	24	565
Tax and social security	1,241	1,145
Current portion of long term secured loans	1,552	1,209
Obligations under finance leases	157	149
Bank overdraft	255	30
	<u>16,675</u>	<u>15,185</u>

For details of security on bank loans and overdrafts see note 16

	University	
	2001 £000	2000 £000
Revenue creditors, accruals and receipts in advance	12,559	11,435
Capital creditors	24	565
Tax and social security	1,241	1,145
Amounts due to subsidiary undertakings	473	938
Current portion of long term secured loans	1,552	1,209
Bank overdraft	255	30
	<u>16,104</u>	<u>15,322</u>

For details of security on bank loans and overdrafts see note 16

## Notes to the financial statements (continued)

<b>16 Creditors: amounts falling due after more than one year</b>	Consolidated	
	2001 £000	2000 £000
Secured bank loans	26,592	25,856
Other secured loan	-	20
Obligations under finance leases	1,549	1,705
	<u>28,141</u>	<u>27,581</u>

Debts due after more than one year can be analysed as follows:

	Consolidated	
	2001 £000	2000 £000
Due 1 - 2 years	1,998	1,616
Due 2 - 5 years	3,081	5,128
Due after more than 5 years	23,062	20,837
	<u>28,141</u>	<u>27,581</u>

	University	
	2001 £000	2000 £000
Secured bank loans	26,592	25,856
Other secured loan	-	20
	<u>26,592</u>	<u>25,876</u>

Debts due after more than one year can be analysed as follows:

	University	
	2001 £000	2000 £000
Due 1 - 2 years	1,831	1,458
Due 2 - 5 years	2,513	4,593
Due after more than 5 years	22,248	19,825
	<u>26,592</u>	<u>25,876</u>

Bank loans are secured over University land and buildings and are under various facilities expiring between 2013 and 2021.

<b>17 Provisions for liabilities and charges</b>	Consolidated and University			
	31.7.00 £000	Provided £000	Utilised £000	31.7.01 £000
Premises - Fifers Lane	408	-	(100)	308
Pensions - SSAP24	1,155	346	-	1,501
Physics closure	97	-	(45)	52
	<u>1,660</u>	<u>346</u>	<u>(145)</u>	<u>1,861</u>

# Notes to the financial statements (continued)

## 18 Deferred capital grants

	Consolidated and University		
	Funding Council £000	Other £000	Total £000
At the beginning of the year			
Buildings	7,662	25,074	32,736
Equipment and other fixed tangible assets	650	7,673	8,323
	8,312	32,747	41,059
Grants receivable in the year			
Buildings	1,027	99	1,126
Equipment and other fixed tangible assets	-	4,425	4,425
	1,027	4,524	5,551
Released to income and expenditure			
Buildings	(355)	(1,203)	(1,558)
Equipment and other fixed tangible assets	(151)	(1,470)	(1,621)
	(506)	(2,673)	(3,179)
At the end of the year			
Buildings	8,334	23,970	32,304
Equipment and other fixed tangible assets	499	10,628	11,127
	<u>8,833</u>	<u>34,598</u>	<u>43,431</u>

## 19 Specific endowments

	Consolidated & University	
	2001 £000	2000 £000
At the beginning of the year	3,994	4,084
Additions	555	622
Depreciation of endowment asset investments	(84)	(3)
Income from endowment asset investments	108	108
Income from current asset investments credited to specific endowments	90	105
Transferred to income and expenditure account (note 5)	(947)	(922)
At the end of the year	<u>3,716</u>	<u>3,994</u>
Representing:		
Trust Funds	1,392	1,532
Zuckerman bequest	1,059	1,089
Sainsbury Endowment Fund	491	567
Sainsbury Unit Fund	280	346
D T K Wong Fellowship	338	321
Arthur Miller Centre	120	119
Development Fund	36	20
	<u>3,716</u>	<u>3,994</u>

# Notes to the financial statements (continued)

## 20 Movement on general reserves

Income and expenditure account reserve	Consolidated	
	2001 £000	2000 £000
Balance at the beginning of the year	26,466	22,575
Surplus after tax	<u>2,510</u>	<u>3,891</u>
Balance at the end of the year	<u>28,976</u>	<u>26,466</u>

	University	
	2001 £000	2000 £000
Balance at the beginning of the year:	26,091	22,405
Surplus after tax	<u>2,439</u>	<u>3,686</u>
Balance at the end of the year	<u>28,530</u>	<u>26,091</u>

Analysis of Surplus	2001		2000	
	£000		£000	
Surplus for University	2,439		3,686	
Surplus retained by subsidiary undertakings arising from consolidation	<u>71</u>		<u>205</u>	
	<u>2,510</u>		<u>3,891</u>	

Depreciation to be charged to the income and expenditure account in future years, less elements to be funded by the release of deferred capital grant, amounts to £48,220,000 (2000: £45,851,000)

## 21 Other investments

The University holds 34,824 ordinary shares of £1 each fully paid in CVCP Properties PLC, a company owned by the Committee of Vice-Chancellors and Principals of the Universities of the United Kingdom and its member institutions.

UEA Enterprises Ltd, a subsidiary undertaking of the University, has the following shareholdings:

- 300 £1 shares in Bioscience Partnership Ltd
- 249 £1 shares in Webb Microtome Ltd
- 11,999 £0.05 shares in Segmentis Ltd
- 10 £1 shares in WeatherQuest Ltd

## Notes to the financial statements (continued)

	2001 £000	2000 £000
<b>22 Reconciliation of consolidated surplus to net cash inflow from operating activities</b>		
Surplus before taxation	2,514	3,897
Endowment income and interest receivable	(1,879)	(1,612)
Deferred capital grant release	(3,179)	(1,807)
Depreciation	6,720	4,787
Interest payable	2,557	2,494
Decrease/(increase) in stocks	(14)	10
Increase in debtors	(2,785)	(2,204)
Increase in creditors	1,455	1,704
Increase/(decrease) in provisions	201	345
Net cash inflow from operating activities	<u>5,590</u>	<u>7,614</u>

	31 Jul 00 £000	Cash flows £000	Other non-cash £000	31 Jul 01 £000
Cash at bank and in hand	2,694	1,120	-	3,814
Overdrafts	(30)	(225)	-	(255)
		<u>895</u>		
Debt due within 1 year	(1,358)	(195)	(156)	(1,709)
Debt due after 1 year	(27,581)	(716)	156	(28,141)
		<u>(911)</u>		
Short term deposits	10,158	(538)		9,620
Short term deposits held as endowment assets	1,450	(220)		1,230
Other short term deposits	2,000	(1,000)		1,000
		<u>(1,758)</u>		
	<u>(12,667)</u>	<u>(1,774)</u>	<u>-</u>	<u>(14,441)</u>

	Consolidated 2001 £000	2000 £000
<b>24 Obligations under finance leases</b>		
Balance at the beginning of the year:	1,854	1,634
Obligations entered into during the year	-	485
Capital repayments	(148)	(265)
Balance at the end of the year	<u>1,706</u>	<u>1,854</u>
	Consolidated 2001 £000	2000 £000
Capital obligations payable:		
Due within 1 year	157	149
Due between 1 and 5 years	735	693
Due after more than 5 years	814	1,012
	<u>1,706</u>	<u>1,854</u>

The finance lease is secured on the asset to which it relates.



## Notes to the financial statements (continued)

<b>25 Analysis of changes in financing during the year</b>	Consolidated	
	2001	2000
	£000	£000
Loans:		
Balance at the beginning of the year	28,939	29,697
Capital acquired in the year - loans	2,350	-
Capital acquired in the year - finance leases	-	485
Capital repayments in the year - loans	(1,291)	(978)
Capital repayments in the year - finance leases	(148)	(265)
Balance at the end of the year	<u>29,850</u>	<u>28,939</u>

### 26 Capital commitments

At 31 July 2001 there were outstanding commitments for capital expenditure of £1,265,000 (2000 £218,000)

### 27 Subsidiary undertakings

The following companies, all registered in England and Wales, were subsidiary undertakings at 31 July 2001:

Name	Principal activity
UEA Student Residences Limited	Leasing and operating student residences
UEA Utilities Limited	Provision of gas, electricity and other utilities
UEA Academic Books Limited	Property maintenance and refurbishment
UEA Enterprises Limited	Developing intellectual property
Overseas Development Group(UEA)(an exempt charity)	Education and research services
East Anglian University Residences Limited	Property management
UEA Accommodation 1 Ltd	Property management
UEA Accommodation 2 Ltd	Property management
SYS Consulting Ltd	Consultancy

Overseas Development Group (UEA) is a company limited by guarantee over which the University exercises a dominant influence.

The University holds all issued £1 ordinary shares in each of UEA Student Residences Limited, UEA Utilities Limited, UEA Academic Books Limited, UEA Enterprises Limited, UEA Accommodation 1 Ltd, UEA Accommodation 2 Ltd, and SYS Consulting Ltd. It holds all issued 50 pence shares in East Anglian University Residences Limited. All subsidiary undertakings are included in the consolidation

The cost of investment of £6,203,000 (2000 £6,313,000) is in respect of East Anglian University Residences Limited, UEA Accommodation 1 Ltd and UEA Accommodation 2 Ltd.

# Notes to the financial statements (continued)

## 28 Pensions

The University participates in two defined benefit contracted out pension schemes, the Universities Superannuation Scheme and the University of East Anglia Staff Superannuation Scheme. Both of these schemes provide benefits based on final pensionable salary. The assets of each scheme are held in separate trustee administered funds.

### *Universities Superannuation Scheme*

It is not possible to identify each institution's share of the underlying assets and liabilities of the scheme and hence contributions to the scheme are accounted for as if it were a defined contribution scheme.

The total pension cost for the University was £3,999,000 (1999 £3,576,000). The pension cost is assessed using the projected unit method.

The latest published actuarial valuation of the scheme was at 31 March 1999. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rate of increase in salary and pensions. It was assumed that the investment return would be 4.5% per annum, that salary scale increases would be 3.6% per annum and that pensions would increase by 2.6% per annum.

At the date of the last actuarial valuation, the market value of the assets of the scheme was £18,870 million and the actuarial value of the assets was sufficient to cover 108% of the benefits which had accrued to members after allowing for expected future increases in earnings.

The contribution rate payable by the University was 14% of pensionable salaries. The actuary to the Universities Superannuation Scheme has confirmed that it is appropriate to take the pension costs in the institution's accounts to be equal to the actual contributions paid in the year. In particular, the contribution rate recommended following the 1999 valuation has regard to the scheme's surplus, the benefit improvements introduced subsequent to the valuation and the need to spread surpluses in a prudent manner over the future working lifetime of current scheme members.

### *University of East Anglia Staff Superannuation Scheme*

An actuarial valuation was carried out as at 31 July 2000. The valuation revealed a surplus of assets (£57,841,000) over liabilities (£43,576,000) of £14,265,000.

For the purposes of the valuation, the pension scheme assets were taken into account at their market value, and the liabilities in respect of past service for active members included full allowance for projected salaries to retirement. In determining the liabilities, the principal assumptions used were:

Future price inflation (and the level of future pension increases)	: 2.75%
Future salary growth	: 4.00%
Discount rate (except for determining past service liabilities when 4.75% p.a. post retirement was assumed)	: 5.75%

The cost of one years benefit accrual for active members was calculated as 24.8% of salaries. This includes an allowance for the expenses of running the Scheme and the cost of insuring the lump sum death benefit. Members contribute at the rate of 6.25% of salaries, and therefore the cost to the University is 18.55% of salary. This cost was calculated using the Projected Unit Method. Due to the surplus, the University has decided to suspend contributions until the results of the next valuation, due as at 31 July 2003, are available.

For the purposes of the accounts, and consistent with previous years, the University has adopted the expense and balance sheet figures required under SSAP24. The provision at the start of the year was £1,155,000. After allowing for the amortisation of the surplus as a level percentage of salaries over the future working lifetime of the active employees (11 years) and using the assumptions adopted above for the funding valuation, the pension expense was £346,000 (2000 £478,000). Reflecting the University's nil contribution rate, the provision increased to £1,501,000.

# Notes to the financial statements (continued)

## 28 Pensions (continued)

Under the transitional disclosure provisions of FRS17 the surplus in the pension scheme as at 31 July 2001 was £12,158,000 being the net of the assets at the market value of £51,975,000 less liabilities of £39,817,000 calculated using the following assumptions:

Future price inflation (and the level of future pension increases)	: 2.50%
Future salary growth	: 3.75%
Discount rate	: 5.75%

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

	Long term rate of return	Value at 31 July 2001 £ million
Equities	6.75%	36
Bonds	4.75%	16
Property	4.75%	-
		<u>52</u>

If the above amounts had been recognised in the financial statements the consolidated net assets, including the pension asset, as at 31 July 2001 would have been £88,281,000 and the general reserve, including the pension asset, would have been £41,134,000 at the same date.

## 29 Queen's Building

The University has contracted with the East Norfolk and Suffolk Education and Training Consortium (ENSETC) (which has delegated authority from the NHS Executive via its regional office) to teach, to degree level, occupational therapy and physiotherapy students nominated and funded by ENSETC. The teaching takes place on campus in the Queen's Building, which the then Anglia & Oxford Regional Health Authority constructed at its own expense on land leased to the Secretary of State for Health by the University for sixty years. The University pays no rent for its occupation of the building.

The University has undertaken, in the event of the teaching contract being terminated before the expiry of sixty years following the completion of the building in 1992, to purchase it or lease it back from the Secretary of State for Health. The purchase price or rental is to be calculated by reference to the initial construction cost of the building and the increase in building costs since the date of construction with an overriding depreciation to zero over the sixty years of the lease. The University believes it is unlikely that this contingent capital commitment will arise in the foreseeable future.

## 30 Access funds

	2001 £000	2000 £000
Balance at beginning of year	152	53
Funding Council Access Funds	314	604
Interest earned	13	23
Disbursements to students	<u>(457)</u>	<u>(528)</u>
Balance at end of year	<u>22</u>	<u>152</u>

Funding Council Access Funds are available solely for students. As the University acts as a paying agent only, these transactions have not been reflected in these financial statements.

## Notes to the financial statements (continued)

### 31 Sainsbury Laboratory

The Sainsbury Laboratory for molecular plant pathology was created on 12 March 1987 as a joint venture between the Trustees of the Gatsby Charitable Foundation (one of the Sainsbury family charitable trusts), the Trustees of the John Innes Foundation, the Biotechnology and Biological Sciences Research Council and the University of East Anglia. Money to construct the building occupied by the Laboratory and to cover annual running costs has been provided by the Gatsby Charitable Foundation. With effect from 1 April 1997 the joint venture was transferred to a company "the Sainsbury Laboratory", limited by guarantee and registered as a charity.

Staff working at the Laboratory are joint employees of the University of East Anglia and the company and their payroll costs are fully reimbursed. The Laboratory shares certain facilities at the John Innes Centre for which appropriate reimbursement is made. The building belongs to the Trustees of the John Innes Foundation. Expenditure on Laboratory staff and its reimbursement are excluded from the University's financial statements.

### 32 Sainsbury Institute for the Study of Japanese Art and Culture

The Sainsbury Institute for the Study of Japanese Arts and Culture (SISJAC) is an independent Institute affiliated to the University, founded in 1998 and currently located in Norwich in accommodation leased by the University from the Dean and Chapter of Norwich Cathedral. In due course the Institute will move to refurbished accommodation leased from the Dean and Chapter.

Staff of the Institute are employees of the University and their salary costs are fully reimbursed from external sources. Other running costs of the Institute are paid in the first instance by the University and these also are fully reimbursed from external sources.

Expenditure and its reimbursement are included in the University's financial statements.

### 33 Related Party Transactions

Bioscience Partnership Limited (BPL) is a joint venture between the University, Babraham Institute and the University of Newcastle, with the aim of developing intellectual property in the biotechnology field. UEA Enterprises Limited, a wholly owned subsidiary of the University, owns 30% of the issued share capital and Professor Alan Dawson, the Pro Vice Chancellor (Science), is a director of both companies. During the year BPL contracted with the University for services in connection with the potential exploitation of intellectual property. The sum involved amounted to £49,000. The sums due for these services were charged to the Income and Expenditure Account during the year. It is anticipated that the costs will be recovered through future royalty and other income.