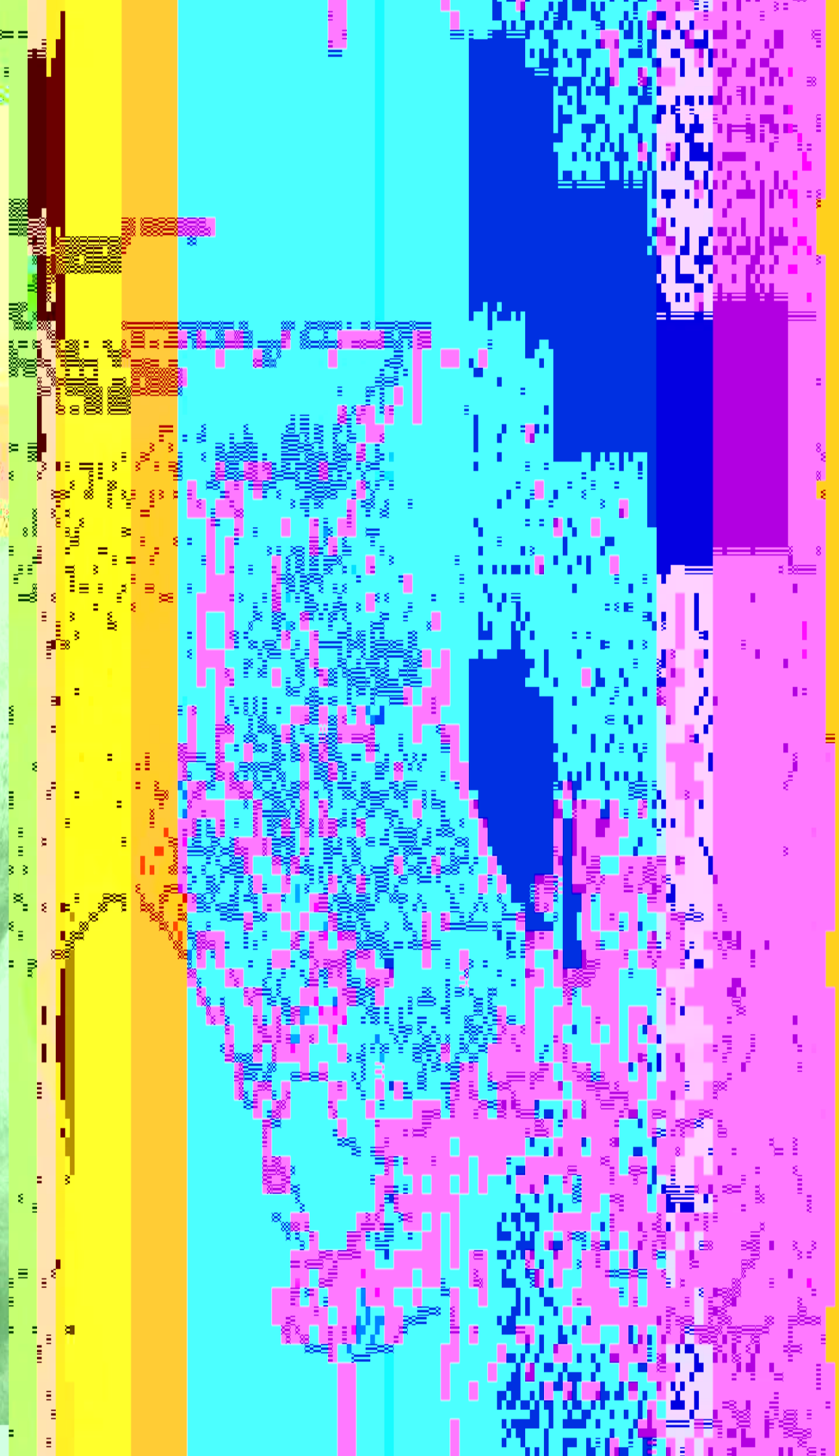


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# The Royal Veterinary College

## ANNUAL ACCOUNTS 2008

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**Members appointed by Nominating Bodies**

Professor PM Biggs (*Vice-Chairman*)  
Mr E Chandler  
The Rt Hon Frank Dobson, MP  
Mr R Green  
Mr I Luder (*up until 31 December 2007*)  
Professor JC Milne (*up until 31 December 2007*)

**Independent Member**

Mr P Orchard Lisle  
Professor JC Milne (*with effect from 1 January 2008*)

**Members Nominated by the Academic Board**

Professor DB Church (*up until 31 December 2007*)  
Professor S May (*up until 31 December 2007*)  
Professor J Price  
Professor A Rycroft (*with effect from 20 February 2008*)  
Professor N Stickland (*up until 31 December 2007*)  
Professor DC Wathes (*up until 31 December 2007*)  
Professor A Williams (*up until 31 December 2007*)

**Co-opted Members**

Mr JH Chatfeild-Roberts (*Honorary Treasurer*)  
Mr IB Flanagan  
Professor D Noakes (*up until 31 December 2007*)  
The Most Hon The Marquess of Salisbury (*Chairman*) (*up until 31 December 2007*)  
Dr G Schild (*up until 31 December 2007*)  
The Rt Hon The Baroness Shephard of Northwold (*Chairman*) (*with effect from 1 January 2008*)

**President of the Students Union Society**

Mr B Stileman

**Principal**

Professor Q McKellar

**Vice-Principals**

Professor J Elliott (*with effect from 14 November 2007*)  
Professor CR Howard (*with effect from 14 November 2007*)  
Professor S May (*with effect from 1 January 2008*)

The Royal Bank of Scotland, London WC2H 0NN

Deloitte & Touche LLP  
Chartered Accountants and Registered Auditors

# TREASURER'S REPORT

for the year ended 31 July 2008

## Introduction

## TREASURER'S REPORT (continued)

for the year ended 31 July 2008

As a public body the Council has in place mechanisms to ensure that all of its policies and procedures comply with the following legislation:

- Data Protection Act 1998;
- Diversity & Equality Policies (including the Disability Discrimination Act 1985 & 2006);
- Freedom of Information Act 2000;
- Health and Safety Act 1974;
- Human Rights Act 1998;
- Race Relations Amendment Act 2000;
- The Employment Equality (Age) Regulations 2006;
- Corporate Manslaughter and Corporate Homicide Act 2007;
- Mental Capacity Act 2005; and
- The Equality Act (Sexual Orientation) Regulations 2007.

Processes are also in place to ensure that all new legislative requirements are duly considered by the Council to ensure that, where relevant, the Council and its employees comply fully with the law.

The College currently measures its performance by referring to progress made against the key strategic objectives given within its Corporate Plan. Overall progress has been excellent, with the majority of those objectives being achieved. Developments in support of these for the year 2007-08 are given below.

The College is currently developing a formal set of Key Performance Indicators (KPIs). This development has been made with reference to the Committee of University Chairs' guidance issued in 2006.

These KPIs will be outlined in this Treasurers Report next year once they have been agreed by the Council.

A summary of performance and developments for the year 2007-08 are given for each key area of the College's activity.

### Teaching and Learning

The College continued to expand the range of programmes offered. New programmes during the year included the Certificate of Advanced Veterinary Practice, accredited by the Royal College of Veterinary Surgeons, and a Graduate Diploma in Professional and Clinical Veterinary Nursing.

The College's effort to widen the range of students from non-traditional backgrounds was enhanced through the establishment of a Lifelong Learning Network, known as VetNet. This is a national network, involving all of the English Higher Education Veterinary Schools, for which the College is the lead institution.

### Research

The depth of research activity across the College continued to develop during the year. One of the key activities during the year was submission of research evidence to the periodic Research Assessment Exercise (RAE). The Exercise determines the quality rating for research undertaken by UK higher education institutions and determines research funding received from the Higher Education Funding Council for England (HEFCE). The depth of the College's research activity was demonstrated through an increase in the number of research active academic staff being submitted to the RAE (103.5 FTE compared to 65 FTE for the previous exercise in 2001).

## TREASURER'S REPORT (continued)

for the year ended 31 July 2008

### Clinical Services

The College's animal hospitals provide key learning opportunities for students and a wide variety of opportunities for research. The key development during the year was the expansion of the Queen Mother Hospital for Animals at the Hertfordshire Campus. The expansion makes the hospital the largest small animal referral hospital operated by any higher education institution in Europe. Research and clinical activities were further integrated through the expansion of the Clinical Investigation Centre, which has forty ongoing studies.

### Estates

Significant progress was made with ongoing capital projects, including the Queen Mother Hospital for Animals (total project cost £7.9 million) and the development of a Centre for the Control of Veterinary Infectious and Zoonotic Diseases (total project cost £3.3 million). This project has been funded by HEFCE SRIF3 and the East of England Development Agency, and is also nearing completion.

An Estates Strategy has been developed alongside the College's new Corporate Plan. The Estates Strategy necessarily covers a longer time period than the Corporate Plan: 2009 to 2019. This is the first formal Estates Strategy for the College.

Further information is available within the College's Annual Report, which provides a comprehensive narrative of the College's achievements in 2007-08. This is available at [www.rvc.ac.uk/annualreport](http://www.rvc.ac.uk/annualreport)

Future developments and principal risks and uncertainties are set out in detail within the College's new Corporate Plan 2009-2014. This will be available from January 2009 at [www.rvc.ac.uk/FOI/Scheme/Documents/CorporatePlan.pdf](http://www.rvc.ac.uk/FOI/Scheme/Documents/CorporatePlan.pdf)

The College has a comprehensive strategic risk register, through which senior management and the Council are kept fully informed of key influencing factors.

The key risk areas identified are that:

- Resource constraints (financial, physical and intellectual) prevent full achievement of strategic objectives across all areas
- Inappropriate research specialisations are selected
- Curriculum developments and new course provision are not attractive to students or do not deliver the educational outcomes desired
- Rising student expectations are not met, and an excellent student experience is not delivered
- Further development of international activities is limited by the global economic downturn
- Changes to HEFCE funding of veterinary sciences adversely affect this crucial income stream
- The impact of demographic change on recruitment is greater than expected
- Our global reputation and profile is not enhanced
- Clinical services, teaching and research compete with each other, rather than compliment each other.

The principal sources of income for the College are:

- HEFCE grants for teaching and research;
- Clinical services offered by the College's animal hospitals;





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## CORPORATE GOVERNANCE (continued)

for the year ended 31 July 2008

13 The Principal and the College's senior managers receive reports setting out key risk indicators and consider possible control issues. The Risk Register is regularly reviewed and amended as appropriate. Good progress has been made in implementing the risk management process at the College, however, it is recognised that there is still further work needed to ensure that the process is fully embedded at all levels within the organisation. The Audit Committee and Council also receive regular reports from internal audit and from the Safety Committee which include recommendations for improvement. The Audit Committee's role in this area is confined to a high level review of the arrangements for internal control. The Council receives reports on risk and control from the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception.

14 The College maintains a register of interests of members of the Council. The Statutes specify that the Secretary to the College shall be Secretary to the Council. Any enquiries about the constitution and governance of the College should be addressed to the Secretary.

15 After making appropriate enquiries the Council has a reasonable expectation that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

16 The Council has reviewed the College's system of internal financial control. Any system of internal financial control can, however, only provide reasonable, but not absolute assurance against material misstatement or loss.



# INCOME AND EXPENDITURE ACCOUNTS

for the year ended 31 July 2008

	Note	Year ended 31 July 2008		Year ended 31 July 2007	
		Consolidated	College	Consolidated	College
		£000	£000	Restated (see notes 11,12,19,20) £000	£000
<b>INCOME</b>					
Funding body grants	1	26,614	26,584	23,551	23,521
Tuition fees and education contracts	2	5,623	5,623	4,903	4,903
Research grants and contracts	3	8,495	8,495	8,708	8,708
Other income	4	15,094	13,919	13,455	12,470
Endowment and investment income	5	2,524	2,252	847	647
<b>TOTAL INCOME</b>		<b>58,350</b>	<b>56,873</b>	51,464	50,249
<b>EXPENDITURE</b>					
Staff costs	6	31,971	31,615	27,927	27,617
Other operating expenses	9	22,163	21,577	18,486	18,000
Depreciation	11	3,308	3,097	3,018	2,807
Interest and other finance costs	7	492	315	505	322
<b>TOTAL EXPENDITURE</b>		<b>57,934</b>	<b>56,604</b>	49,936	48,746
<b>Surplus after depreciation of tangible fixed assets at valuation and after tax</b>		<b>416</b>	<b>269</b>	1,528	1,503
Profit on Disposal of Assets		-	-	1,966	1,966
<b>Surplus on continuing operations after depreciation of assets at valuation, disposal of assets and tax</b>		<b>416</b>	<b>269</b>	3,494	3,469
		(1,291)	(1,357)	(693)	(173)
Surplus for the year transferred to accumulated income in endowment funds					
<b>(DEFICIT) / SURPLUS RETAINED WITHIN GENERAL RESERVES</b>	21	<b>(875)</b>	<b>(1,088)</b>	2,801	3,296

The consolidated income and expenditure relates wholly to continuing operations.

There is no difference between the surplus in each year and their historical cost equivalents.

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

for the year ended 31 July 2008

		Year ended 31 July 2008		Year ended 31 July 2007	
		Consolidated	College	Consolidated	College
		£000	£000	£000	£000
<b>Surplus on continuing operations after depreciation of assets at valuation and disposal of assets and tax</b>		<b>416</b>	<b>269</b>	3,494	3,469
(Decrease)/increase in market value of investments	19	(1,805)	(1,805)	991	991
New endowments	19	274	78	1,079	77
Heritage asset reserve movement	21 -	-	-	1,648	1,648
<b>TOTAL RECOGNISED GAINS RELATING TO THE YEAR</b>		<b>(1,115)</b>	<b>(1,458)</b>	7,212	6,185
<b>Reconciliation</b>					
Opening reserves and endowments		33,405	29,725	26,193	23,540
Prior year adjustment (See Notes 11,12,19 & 20)		(2,245)	(215)	-	-
Adjusted opening reserves and endowments		31,160	29,510	26,193	23,540
Total recognised gains relating to the year		(1,115)	(1,458)	7,212	6,185
<b>CLOSING RESERVES AND ENDOWMENTS</b>		<b>30,045</b>	<b>28,052</b>	33,405	29,725

as at 31 July 2008

Year ended 31 July 2007  
Restated (see notes 11,12,19,20)  
Consolidated      College  
£000                  £ 000

	Note	Consolidated £000	College £ 000
Tangible assets	11	45,532	42,466
Investments	10	-	100
		45,532	42,566
Endowment asset investments	12	12,164	11,031
Stocks	13	427	419
Debtors -amounts falling due within one year	14	4,468	4,970
Debtors -amounts falling due after more than one year	14	-	1,111
Short term deposits	17	9,384	10,302
Cash at bank and in hand		2,712	2,611
		16,991	19,413
Creditors - amounts falling due within one year	15	(11,970)	(15,164)
		5,021	4,249
		62,717	57,846
Creditors - amounts falling due after more than one year	16	(7,471)	(7,471)
Provisions for liabilities and charges	18		
		55,246	50,375
	20	24,086	20,865
Expendable	19	2,229	1,292
Permanent	19	9,935	9,739
		12,164	11,031
	21	18,996	18,479
		55,246	50,375

The financial statements were approved by the Council on 25 November 2008 and signed on its behalf on that date by:

The Right Hon The Baroness Shephard of Northwold  
Chairman

J H Chatfeild - Roberts  
Chairman of Finance Committee

Professor Q A McKellar  
Principal

## CASH FLOW STATEMENTS

for the year ended 31 July 2008

	Note	Year ended 31 July 2008		Year ended 31 July 2007	
		Consolidated	College	Consolidated	College
		£000	£000	£000	£000
<b>Net cash inflow from operating activities</b>	22	<b>2,122</b>	<b>2,625</b>	6,164	7,050
<b>Returns on investments and servicing of finance</b>	23	<b>365</b>	<b>489</b>	185	298
<b>Capital expenditure and financial investment</b>	24	<b>(593)</b>	<b>(995)</b>	1,723	721
<b>Management of liquid resources - short-term deposits</b>		<b>1,135</b>	<b>789</b>	(4,693)	(6,215)
<b>Financing</b>	25	<b>(243)</b>	<b>(243)</b>	(230)	(230)
<b>INCREASE / (DECREASE) IN CASH IN THE YEAR</b>		<b>2,786</b>	<b>2,665</b>	3,149	1,624

### RECONCILIATION OF CASH FLOW TO MOVEMENT IN NET FUNDS (DEBT)

	31 July 2008		31 July 2007	
	Consolidated	College	Consolidated	College
	£000	£000	£000	£000
<b>Increase / (decrease) in cash in the period</b>	<b>2,786</b>	<b>2,665</b>	3,149	1,624
Change in short term deposits	(1,135)	(789)	4,693	6,215
Change in debt	243	243	230	230
<b>Change in net debt</b>	<b>1,894</b>	<b>2,119</b>	8,072	8,069
Net funds / (debt) at 1 August	6,460	6,360	(1,612)	(1,709)
<b>NET FUNDS AT 31 JULY</b>	<b>8,354</b>	<b>8,479</b>	6,460	6,360



# STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

for the year ended 31 July 2008

# STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

for the year ended 31 July 2008

## 5b Repairs and maintenance

Expenditure to ensure that a tangible fixed asset maintains its previously recognised standard of performance is recognised in the income and expenditure account in the period it is incurred. The College has a planned maintenance programme, which is reviewed on an annual basis.

## 5c Heritage Assets

Works of art and other valuable artefacts (heritage assets) and valued at over £5,000 have been capitalised and recognised, based on valuations carried out by specialist valuers. Heritage assets are not depreciated since their long economic life and high residual value mean any depreciation would not be material. The historic library collection was valued, independently, in 2008 by Mr Norman Comben, an expert on antiquarian veterinary books, prints and ephemera.

## 6 EQUIPMENT

Equipment and furniture costing less than £5,000 per individual item and which is not part of a bigger piece of equipment, is written off to the income and expenditure account in the period of acquisition. All other equipment is capitalised at cost. All assets are depreciated over their useful economic lives to the College of between 3 and 7 years.

Where equipment is acquired with the aid of specific grants or donations, it is capitalised and depreciated as above, with the related grant credited to a deferred capital grant account and released to the income and expenditure account over the expected useful economic life of the related equipment.

## 7 INVESTMENTS

Listed investments held as fixed assets or endowment assets are shown at market value. Investments in subsidiary undertakings are shown at the lower of cost or net realisable value.

## 8 STOCK

The stock comprises stores held by clinics, farm livestock, produce and consumables. The farm stocks are professionally valued; other stocks are stated at the lower of their cost and net realisable value.

## 9 CASH FLOWS AND LIQUID RESOURCES

Cash flows comprise increases and decreases in cash. Cash includes cash in hand, cash at bank and deposits repayable on demand. Deposits are repayable on demand if they are available within 24 hours without penalty.

Liquid resources comprise assets held as readily disposable store of value. They include term deposits but exclude any such assets held as endowment asset investments.

## 10 FOREIGN CURRENCY TRANSLATIONS

Transactions denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions. Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the financial year, with all resulting exchange differences being taken to the income and expenditure account in the period in which they arise.

## 11 ACCOUNTING FOR RESEARCH AND DEVELOPMENT

Expenditure on pure and applied research is treated as part of the continuing activities of the College. Expenditure on development activities is carried forward and amortised over the period expected to benefit.

## 12 INTRA-GROUP TRANSACTIONS

Gains and losses on any intra-group transactions are eliminated in full. Amounts in relation to debts and claims between undertakings included in the consolidation are also eliminated.

## 13 ACCOUNTING FOR CHARITABLE DONATIONS

### 13a Unrestricted donations

Charitable donations are recognised in the accounts when the charitable donation has been received or if, before receipt, there is sufficient evidence to provide the necessary certainty that the donation will be received and the value of the incoming resources can be measured with sufficient reliability.

### 13b Endowment funds

Where charitable donations are to be retained for the benefit of the institution as specified by the donors, these are accounted for as endowments. There are three main types:

1. Unrestricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream for the benefit of the institution
2. Restricted expendable endowments - the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the institution can convert the donated sum into income
3. Restricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective

## STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

for the year ended 31 July 2008

### 13c Donations for fixed assets

Donations received to be applied to the cost of a tangible fixed asset are shown on the balance sheet as a deferred capital grant. The deferred capital grant is released to the income and expenditure account over the same estimated useful life that is used to determine the depreciation charge associated with the tangible fixed asset.

### 14 ACCOUNTING FOR RETIREMENT BENEFITS

The College contributes to the Universities Superannuation Scheme (USS) and the Superannuation Arrangements for the University of London (SAUL). Both schemes are defined benefit schemes and both are multi-employer schemes and it is not possible to identify the assets of these schemes, which are attributable to the College. In accordance with FRS17 these schemes are accounted for on a defined contribution basis and contributions to these schemes are included as expenditure in the period in which they are payable.

### 15 PROVISIONS AND CONTINGENT LIABILITIES

Provisions are recognised in the financial statements when the College has a present obligation (legal or constructive) as a result of a

	Consolidated	College	Consolidated	College
Note	£000	£000	£000	£000
<b>1 FUNDING BODY GRANTS - HEFCE</b>				
Recurrent grants	<b>23,558</b>	<b>23,528</b>	21,427	21,397
Specific grants				

**NOTES TO THE ACCOUNTS (continued)**  
for the year ended 31 July 2008

	Note	Year ended 31 July 2008		Year ended 31 July 2007	
		Consolidated £000	College £000	Consolidated £000	College £000
<b>6 STAFF COSTS</b>					
Wages and salaries		26,883	26,578	23,189	22,915
Social security costs		2,132	2,108	1,989	1,973
Pension costs	31	2,839	2,812	2,450	2,430
Restructuring and redundancy costs		117	117	299	299
		<b>31,971</b>	<b>31,615</b>	<b>27,927</b>	<b>27,617</b>

Emoluments of the Principal					
Salary		183	183	163	163
USS Pension Contributions		25	25	24	24
Benefit in kind		24	24	26	26
		<b>232</b>	<b>232</b>	<b>213</b>	<b>213</b>

Remuneration of other higher paid staff, excluding employers' pension contributions:

	Number	Number	Number	Number
£100,001 to £110,000	1	1	2	2
£110,001 to £120,000	3	3	3	3
£120,001 to £130,000	3	3	3	3
£130,001 to £140,000	2	2	1	1
£140,001 to £150,000	-	-	-	-
£150,001 to £160,000	-	-	1	1
£160,001 to £170,000	1	1	1	1
	<b>10</b>	<b>10</b>	<b>11</b>	<b>11</b>

Average staff numbers by major category:

	Number	Number	Number	Number
Teaching and Research Departments	340	340	304	304
Academic Support Services	89	89	84	84
Administration and Central Services	70	63	67	57
Premises	69	69	78	78
Clinical and related services	207	207	212	212
	<b>775</b>	<b>768</b>	<b>745</b>	<b>735</b>

Both staff costs and numbers include temporary staff and staff employed by agents.

	Year ended 31 July 2008		Year ended 31 July 2007	
	Consolidated £000	College £000	Consolidated £000	College £000
<b>7 INTEREST AND OTHER FINANCE COSTS</b>				
Bank loans not wholly repayable within 5 years	492	315	505	322



**NOTES TO THE ACCOUNTS (continued)**  
for the year ended 31 July 2008

**11 TANGIBLE FIXED ASSETS**

	Freehold Properties	Furniture and Equipment	Assets in the course of construction	Heritage Assets	Total
	£000	£000	£000	£000	£000
<b>Consolidated</b>					
<b>COST</b>					
At 1 August 2007	53,148	1,647	5,792	-	60,587
Prior Year Adjustment	-	-	-	1,648	1,648
Restated 1 August 2007	53,148	1,647	5,792	1,648	62,235
Additions	144	2,501	6,838	-	9,483
Transfers	2,103	-	(2,103)	-	-
Disposals	-	(618)	-	-	(618)
<b>At 31 July 2008</b>	<b>55,395</b>	<b>3,530</b>	<b>10,527</b>	<b>1,648</b>	<b>71,100</b>
<b>DEPRECIATION</b>					
At 1 August 2007	(15,902)	(801)	-	-	(16,703)
Charge for the year	(2,240)	(1,068)	-	-	(3,308)
Disposals	-	618	-	-	618
<b>At 31 July 2008</b>	<b>(18,142)</b>	<b>(1,251)</b>	<b>-</b>	<b>-</b>	<b>(19,393)</b>
<b>Net Book Value at 31 July 2008</b>	<b>37,253</b>	<b>2,279</b>	<b>10,527</b>	<b>1,648</b>	<b>51,707</b>
Net Book Value at 31 July 2007	37,246	846	5,792	-	43,884
<b>College</b>					
<b>COST</b>					
At 1 August 2007	48,917	1,647	5,792	-	56,356
Prior Year Adjustment	-	-	-	1,648	1,648
Restated 1 August 2007	48,917	1,647	5,792	1,648	58,004
Additions	144	2,501	6,838	-	9,483
Transfers	2,103	-	(2,103)	-	-
Disposals	-	(618)	-	-	(618)
<b>At 31 July 2008</b>	<b>51,164</b>	<b>3,530</b>	<b>10,527</b>	<b>1,648</b>	<b>66,869</b>
<b>DEPRECIATION</b>					
At 1 August 2007	(14,737)	(801)	-	-	(15,538)
Charge for the year	(2,029)	(1,068)	-	-	(3,097)
Disposals	-	618	-	-	618
<b>At 31 July 2008</b>	<b>(16,766)</b>	<b>(1,251)</b>	<b>-</b>	<b>-</b>	<b>(18,017)</b>
<b>Net Book Value at 31 July 2008</b>	<b>34,398</b>	<b>2,279</b>	<b>10,527</b>	<b>1,648</b>	<b>48,852</b>
Net Book Value at 31 July 2007	34,180	846	5,792	-	40,818

Heritage assets are held for their contribution to knowledge and culture. The assets recognised as such are principally works of art and illustrations of the racehorse Eclipse (the post-mortem examination of Eclipse in 1789 was in effect the beginning of the veterinary profession in the UK) and a collection of historic veterinary books and articles dating from the 18th Century. Works of art are stated at their insurance valuation.

**Consolidated College**



<b>Consolidated</b>	<b>College</b>	Year ended 31 July 2007	
		Consolidated	College
<b>£000</b>	<b>£000</b>	£000	£000

**19 ENDOWMENTS**

	Unrestricted Permanent	Restricted Permanent	Total	Permanent	Restricted Expendable	2008 Total	2007 Total
<b>Consolidated</b>							
<b>Balances as at 1 August 2007</b>							
Capital	1,821	3,542		5,363	5,212	<b>10,575</b>	14,795
Accumulated income	1,384	3,188		4,572	(2,983)	<b>1,589</b>	(3,149)
	3,205	6,730					

## NOTES TO THE ACCOUNTS (continued)

for the year ended 31 July 2008

### 20 DEFERRED CAPITAL GRANTS

	Funding Council £000	Other Donors £000	2008 Total £000	2007 Total (Restated) £000
<b>Consolidated</b>				
<b>At 1 August 2007</b>				
Buildings	12,520	10,635	23,155	18,951
Equipment	751	180	931	970
<b>Total</b>	<b>13,271</b>	<b>10,815</b>	<b>24,086</b>	<b>19,921</b>
<b>Cash receivable</b>				
Buildings	1,952	1,585	3,537	3,021
Equipment	539	1,037	1,576	73
<b>Total</b>	<b>2,491</b>	<b>2,622</b>	<b>5,113</b>	<b>3,094</b>
<b>Released to income and expenditure account</b>				
Buildings	(572)	(548)	(1,120)	(1,062)
Equipment	(68)	(319)	(387)	(112)
<b>Total</b>	<b>(640)</b>	<b>(867)</b>	<b>(1,507)</b>	<b>(1,174)</b>
<b>At 31 July 2008</b>				
Buildings	13,900	11,672	25,572	20,910
Equipment	1,222	898	2,120	931
Prior year adjustment	-	-	-	2,245
<b>Total</b>	<b>15,122</b>	<b>12,570</b>	<b>27,692</b>	<b>24,086</b>
<b>College</b>				
<b>At 1 August 2007</b>				
Buildings	12,520	7,414	19,934	17,905
Equipment	751	180	931	970
<b>Total</b>	<b>13,271</b>	<b>7,594</b>	<b>20,865</b>	<b>18,875</b>
<b>Cash receivable</b>				
Buildings	1,952	1,379	3,331	3,021
Equipment	539	1,037	1,576	73
<b>Total</b>	<b>2,491</b>	<b>2,416</b>	<b>4,907</b>	<b>3,094</b>
<b>Released to income and expenditure account</b>				
Buildings	(572)	(478)	(1,050)	(992)
Equipment	(68)	(319)	(387)	(112)
<b>Total</b>	<b>(640)</b>	<b>(797)</b>	<b>(1,437)</b>	<b>(1,104)</b>
<b>At 31 July 2008</b>				
Buildings	13,900	8,315	22,215	19,934
Equipment	1,222	898	2,120	931
<b>Total</b>	<b>15,122</b>	<b>9,213</b>	<b>24,335</b>	<b>20,865</b>

### 21 RESERVES

	Year ended 31 July 2008		Year ended 31 July 2007	
	Consolidated £000	College £000	Consolidated £000	College £000
<b>Income and expenditure reserve</b>				
At 1 August	18,996	18,479	14,547	13,535
Prior year adjustment - Heritage assets	-	-	1,648	1,648
Restated 1 August	18,996	18,479	16,195	15,183
Surplus retained for the year	(875)	(1,088)	2,801	3,296
<b>At 31 July</b>	<b>18,121</b>	<b>17,391</b>	<b>18,996</b>	<b>18,479</b>

		<b>Consolidated</b>	<b>College</b>	Consolidated	College
	Note	<b>£000</b>	<b>£000</b>	£000	£000
Surplus after depreciation of tangible fixed assets at valuation and before tax		<b>416</b>	<b>269</b>	3,494	3,469
Depreciation	11	<b>3,308</b>	<b>3,097</b>	3,018	2,807
Deferred capital grants released to income	20	<b>(1,507)</b>	<b>(1,437)</b>	(1,174)	(1,104)
Investment income	5	<b>(1,958)</b>	<b>(1,865)</b>	(608)	(538)
Interest payable		<b>492</b>	<b>315</b>	505	322
(Profit) on sale of fixed assets and investments		-	-	(1,966)	(1,966)
(Decrease) / increase in stocks	13	<b>(122)</b>	<b>(122)</b>	43	44
Decrease / (increase) in debtors	14	<b>125</b>	<b>327</b>	(338)	(217)
Increase in creditors	15	<b>618</b>	<b>1,291</b>	3,190	4,233
Increase in provisions	18	<b>750</b>	<b>750</b>	-	-
<b>Net cash inflow from operating activities</b>		<b>2,122</b>	<b>2,625</b>	6,164	7,050
<b>23 RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>					
	Note	<b>£000</b>	<b>£000</b>	£000	£000
Income from endowments		<b>541</b>	<b>488</b>	365	295



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UNAUDITED CONSOLIDATED FINANCIAL SUMMARIES

	2008	2007	2006	2005	2004
	£000	£000	£000	£000	£000
<b>INCOME AND EXPENDITURE ACCOUNT</b>					
<b>INCOME</b>					
Funding body grants	26,614	23,551	20,985	18,874	15,794
Tuition fees and education contracts	5,623	4,903	4,049	3,572	3,448
Research grants and contracts	8,495	8,708	6,195	4,781	4,337

