University Campus Suffolk Ltd
Annual report
for the year ended 31 July 2009

Registered number: 05078498

University Campus Suffolk Ltd

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Contents

University Campus Suffolk Ltd

Directors and advisors

Directors	Professor C Riordan (Chair) Professor E Acton (appointed 5th January 2009) Professor W D Macmillan (resigned 5th January 2009) Professor R J Anderson (resigned 31st August 2009) Ms C A M Edey (appointed 6th November 2008) Mr J D Hehir Mrs A J Hill (appointed 6th November 2008) Mr S L Holmes Mr R Lister (appointed 1st September 2009) Professor D J Muller Dr A H Rich Mr B J Summers Dr E A Williams
Company Secretary	Mr T J Greenacre (appointed 1st December 2008)
Registered office	Waterfront Building Neptune Quay Ipswich Suffolk IP4 1QJ
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors The Atrium St Georges Street Norwich Norfolk NR3 1AG
Bankers	Barclays Bank plc 1 Princes Street Ipswich Suffolk IP1 1PB
Solicitors	Mills & Reeve LLP 1 St James Court Whitefriars Norwich Norfolk NR3 1RU

The directors present their report and the audited financial statements of the company for the year ended 31 July 2009.

Business review and principal activities

The principal activity of the company for the year under review was that of higher education, together with such activities as are relevant for its facilitation. Additional activities include the provision of consultancy and applied research services.

One of the distinguishing features of UCS is the Learning Network, with higher education being delivered at Ipswich and five independent centres across Suffolk and Norfolk. This allows students to study more closely to their home and increases the range of specialist subjects taught at foundation degree and undergraduate level across the UCS portfolio. Widening participation remains a key theme of the UCS mission and UCS remains committed to offering a broad provision across the whole Learning Network.

Higher Education Funding Council for England (HEFCE) funding for UCS is issued jointly to University of East Anglia and University of Essex by way of a ring-fenced grant by reference to its associated student numbers. The grant letter is formally issued to the Vice-Chancellors of both Universities. Under this arrangement UCS receives its HEFCE funding via UEA who acts as the banker organisation for the joint venture. The two Universities are jointly responsible to HEFCE for the proper use and allocation of the funding received via their respective financial memorandum with HEFCE. UCS has a separate financial memorandum with each of the two Universities which mirrors this requirement.

In its second full year of operation UCS delivered 2,302 of 2,384 FTEs available within the HEFCE contract. It was confirmed during the year that 485 additional student numbers will be available to support growth from 2009/10, with further 200 funded places available from 2010/11. The HEFCE contract numbers are shown below:

	2007/8 Achieved	2008/9 Achieved	2009/10 Planned	2010/11 Planned
HEFCE FTEs	2,238	2,302	2,632	3,069
Growth %		6%	10%	17%

UCS has also successfully delivered its contracted student numbers within the East of England Strategic Health Authority contracts which cover both pre-registration and post-registration education and training.

The year saw the opening of the prestigious Waterfront Building in Ipswich. The building work and associated land purchase has been facilitated by way of capital grants from HEFCE, the East of England Development Agency, Suffolk County Council and Ipswich Borough Council. The same agencies have approved significant additional funding to support a further teaching building on University Quay in Ipswich, and substantial refurbishment to the northern part of the campus. Capital funding is also available to develop the Learning Network outside of the Ipswich hub.

For the first time, students at UCS have been able to express their opinions on the quality of their degree courses through the National Student Survey. UCS achieved an impressive overall student satisfaction score of 80%, competing with results obtained by more established institutions across the UK.

UCS successfully works with private sector landlords and developers to ensure that we have sufficient high quality accommodation available to all students that require it. Alongside the capital investment in teaching facilities referred to above will be a purpose built block of residences consisting of 600 student rooms, retail units and a UCS managed car park, developed by the Watkin Jones Group. The new accommodation is planned to be available for the 2010/11 student intake.

Looking forward, UCS plans to continue its ambitious growth over the next 2-3 years, aiming to secure an increase of at least 29% in its contracted HEFCE numbers. UCS will also seek to maintain its strong track record of delivering within its Strategic Health Authority contracts, as well as explore new opportunities with new and existing stakeholders.

Directors

The directors who held office during the year and up to the date of signing the financial statements are listed on page 1 of the annual report.

Financial highlights

In its second year of operations, UCS generated a surplus before exceptional items of £554k (2008: £1,138k). After allowing for the exceptional costs associated with a restructuring of the organisation and a bulk transfer of pension commitments, the final outturn for the year is a deficit of £996k (2008: £619k). The exceptional items are more fully described in note 9 of the financial statements. In the prior year, an amount of £750k was provided in relation to anticipated HEFCE clawback. In the year under review, it was determined that this amount would not be subject to clawback and as such this provision has been released to the income and expenditure account in the current year.

Key financial indicators

The company's key financial indicators during the year were as follows:

	2009 £'000	2008 £'000
Total income	**30,680**	23,952
Surplus before exceptional items	**554**	1,138
Deficit after exceptional items	**(996)**	(619)
Net assets excluding deferred capital grants liabilities	**43,582**	41,831
Proportion of income generated from		
• HEFCE Contract	**43%**	41%
• Strategic Health Authority Contracts	**24%**	28%
• Tuition Fees	**22%**	22%
• Other Income	**11%**	9%
Surplus before exceptional items as a proportion of total income	**2%**	5%

The HEFCE contract income varies as a percentage of total income in line with the movement in student numbers (see above for student number growth). The year on year increase is in line with targeted student number growth.

The directors are expecting a small operational surplus in 2009/10 and modest deficits in the following 3 years as UCS continues to invest in its facilities and infrastructure. This investment, it is proposed, will partly be funded by additional bank borrowing of up to £8m and is in accordance with the Board approved UCS business plan.

Principal risks and uncertainties and financial risk management

The UCS internal auditors have completed their first full programme of work in 2008/09. This has assisted with the continual review and development of the organisation's system of internal control. The work of the internal auditors has been guided by an assessment of the strategic, financial and operational risks relevant to UCS. The Audit Committee approves the programme of work undertaken, in the context of a risk-assessed 3 year strategic plan.

UCS has in place a risk register which is regularly updated and is reviewed at least annually by the Audit Committee. The risk register identifies the key risks, their potential impact on UCS operations, the likelihood of those risks occurring, and the mitigating actions being taken. The internal audit programme is prepared with reference to the UCS risk register. Outlined below are the key risks and the mitigating actions.

Government funding
UCS has considerable reliance on continued government funding through HEFCE and Strategic Health Authorities. In 2008/09, 67% of UCS's revenue was ultimately public funded and this level of requirement is expected to continue. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

This risk is mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements.
- By ensuring UCS is rigorous in delivering high quality education and training.
- Considerable focus and investment is placed on maintaining and managing key relationships with the various funding bodies.
- Ensuring UCS is focused on those priority sectors which will continue to benefit from public funding.

Student recruitment
As an evolving institution, UCS is dependent upon growing its student base to reach a critical mass of students. Failure to maintain a sufficiently attractive offer to prospective students and therefore meet student number targets will impact on UCS's ability to secure future ASN funding from HEFCE. This, and the failure to meet other contracted student numbers may lead to short-term revenue problems, and longer term strategic finance issues.

This risk is mitigated in a number of ways:

- Frequent and continual review of the offer to students to ensure that they remain attractive to prospective students;
- Ensuring the availability of adequate student accommodation and facilities;
- Short-term and targeted marketing based upon recruitment information and market information;
- Appropriate contingency planning in financial modelling to allow for minor fluctuations in actual levels of student recruitment compared to planned levels.

Staff recruitment and retention
UCS's ability to recruit high quality academic staff is key to the future growth of the business and so the directors place a significant emphasis on the recruitment, retention and performance of academic staff.

Exposure to credit and liquidity risk
Credit risk is the risk that one party to a contract will cause a financial loss for that other party by failing to discharge its obligations. UCS policies are aimed at minimising such losses, and a credit control policy has been implemented to ensure that debts will be chased in a robust and timely manner.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities. UCS aims to mitigate liquidity risk by managing cash generation by its operations, and continuing to develop relationships with funding partners and contingency plans.

Fixed assets

The directors consider that the market value of UCS' tangible fixed assets is not significantly different from their book value.

Employee involvement and equal opportunities
UCS is fully committed to a policy that provides all employees with equality of opportunity for employment, career development and selection on the basis of ability, qualifications and suitability for the job. Senior management, managers and employees are required to promote equality of opportunity and to take full account of the policy in their day to day work.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned; UCS is a "two ticks" employer. In the event of members of staff becoming disabled, all reasonable steps are taken to ensure that their employment with UCS continues and that appropriate training and/or reasonable adjustments are arranged.

Consultation with employees takes place through a number of meetings throughout the year, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the general progress of UCS as a whole.

Consultative meetings include formal consultation with trade union representatives, periodic attendance by senior managers at local team meetings, and project specific group work. UCS undertakes a biennial staff survey which seeks the views of staff about a wide range of issues affecting their employment; results and subsequent action plans are published widely.

Environmental policy
UCS ensures that it complies with legislation and best practice. It continually reviews its environmental performance across the range of its activities, and the capital development of the campus site and office buildings has been planned with the aim of minimising UCS's carbon footprint. The new Waterfront Building has been designed with environmental and sustainability considerations in mind and was successful in achieving a rating of "Excellent" using the Building Research Establishment Environmental Assessment Method ("BREEAM").

Disclosure of information to auditors
Each of the directors confirm that, so far as they are aware, at the date of signing these financial statements there is no relevant audit information of which the company's auditors are unaware. They also confirm that they have taken all steps they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Availability of financial statements on the web site
The annual financial statements are available on the UCS web site. The maintenance and integrity of the UCS web site is the responsibility of the Board. The work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditors
The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office. A resolution to reappoint the auditors, PricewaterhouseCoopers LLP, will be proposed at the Annual General Meeting.

Directors' responsibilities statement

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Statement of Recommended Practice: Accounting for Further and Higher Education. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board

T J Greenacre
Company Secretary

The following statement is given to assist readers of the financial statements in gaining an understanding of the governance structures of UCS and to indicate UCS' arrangements for implementation of best practice for internal control and risk management.

UCS is a company limited by guarantee, and is jointly owned by University of East Anglia and University of Essex.

The primary documents of governance are the company's Memorandum and Articles of Association, and the principal statutory body of UCS is its Board of Directors ("the Board"). All full members of the Board are directors of the company under the Companies Act 2006.

Principles and ethos of UCS

UCS aims to conduct its activities in accordance with the seven principles set out in the Nolan Committee report on Standards in Public Life: selflessness, integrity, objectivity, accountability, openness, honesty and leadership. UCS is committed to exhibiting best practice in all aspects of corporate governance and applies the principles set out in Section 1 of the Combined Code on Corporate Governance issued by the London Stock Exchange in June 2008, as applicable to higher education institutions, and specifically complying with guidance issued by the Committee of University Chairmen in November 2004.

UCS Board structure

The Board meets four times a year and has four sub-committees: Planning and Resources Committee; Nominations Committee; Remuneration Committee; and Audit Committee. All these Committees are formally constituted with written terms of reference, specified membership and delegated powers. Day to day management of UCS is the responsibility of the Executive Team which is headed by the Pro Vice-Chancellor and Chief Executive Officer. The Pro Vice-Chancellor and Chief Executive Officer is an ex-officio director of the company.

In respect of development, strategic management and financial responsibilities, the Board receives advice from the Planning and Resources Committee. The Committee met four times during the year.

The Nominations Committee makes recommendations for the appointment of directors and external, co-opted members of the Board's sub committees (who are not directors of the company). The committee met once during the year.

The Remuneration Committee determines the annual remuneration and conditions of senior staff, including the Pro Vice-Chancellor and Chief Executive Officer. The Remuneration Committee is also responsible for recommending general changes in pay and conditions to the Board. The committee met once during the year.

The Audit Committee met four times during the year. Its main responsibilities include:

- reporting to the Board annually on the effectiveness of the internal control system and the pursuit of value for money, together with an opinion on risk management;
- advising on the appointment of the internal auditor and approving the internal audit plan;
- receipt of an annual report from the internal auditor, which includes an opinion of the effectiveness of the UCS system of internal control, and reports on each assignment including recommendations;
- advising the Board as necessary on the appointment of external auditors, receiving their reports and reviewing their performance and effectiveness.

Academic authority for UCS is controlled by the Joint Academic Committee (JAC) which is not a sub-committee of the UCS Board, and reports to the Senates of the two partner universities, University of East Anglia and University of Essex. The Senates of the partner universities are responsible for the promotion of academic work both in teaching and research, for the regulation of educational arrangements and for the maintenance of academic discipline.

Statement of internal control
The Board is responsible for the company'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 process for identifying, evaluating and managing UCS' significant risks is developing and will be regularly reviewed by the Board and adapted in the light of experience.

The key elements of UCS' 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 authority delegated to, heads of academic departments and administrative sections;
- a short and medium term planning process, supplemented by detailed annual income, expenditure and capital budgets;
- regular reviews of key performance indicators and reviews of financial performance involving variance reporting and updates of financial outturns;
- defined and formalised requirements for the approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to appraisal and review according to approval levels set by the Board;
- a professional internal audit team whose annual programme is approved by the Audit Committee;
- a risk register which contains weightings (of likelihood and impact) linked to the strategic plan which also informs the internal audit planning process.

Proper allocation of funds
The directors have chosen to provide comfort to the Councils of the two partner universities, University of East Anglia and University of Essex, confirming, that, in all material respects, income, ultimately derived from Higher Education Funding Council for England and Learning and Skills Council grants, and income for specific purposes and from other restricted funds administered by UCS have been applied only for the purposes for which they were received.

To enable them to provide this comfort, the directors have taken reasonable steps to:

- ensure that funds originating from HEFCE are used only for the purposes for which they have been given and in accordance with their Financial Memoranda with University of East Anglia and University of Essex and any other conditions that HEFCE may prescribe from time to time;

- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;

- safeguard the assets of UCS and to prevent and detect fraud;

- secure the economical, efficient, and effective management of UCS' resources and expenditure.

Going concern

The Board is satisfied that UCS has adequate resources to continue in operation for the foreseeable future. For this reason the going concern basis continues to be adopted in the preparation of the financial statements.

By order of the Board

T J Greenacre
Company Secretary

Independent auditors' report to the members of University Campus Suffolk Ltd

We have audited the financial statements of University Campus Suffolk Ltd for the year ended 31 July 2009 which comprise the income and expenditure account, the statement of total recognised gains and losses, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards and the Statement of Recommended Practice - Accounting for Further and Higher Education (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Sections 495 and 496 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2009 and of its deficit of income less expenditure, recognised gains and losses, and cashflows for the year then ended;

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice: Accounting for Further and Higher Education and

- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Christopher Maw (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Norwich

Income and expenditure account for the year ended 31 July 2009

	Note	2009 £'000	2008 £'000
Income			
Funding body grants	2	**13,193**	9,799
Tuition fees and education contracts	3	**14,359**	12,430
Other income	4	**3,060**	1,487
Investment income	5	**68**	236
Total income		**30,680**	23,952
Expenditure			
Staff costs	6	**13,185**	10,936
Other operating expenses	8	**13,851**	11,013
Depreciation	10	**2,301**	791
Interest and other finance costs	7	**789**	74
Total expenditure		**30,126**	22,814
Surplus before exceptional items and taxation		**554**	1,138
Exceptional items	9	**(1,550)**	(1,757)
Deficit after exceptional items and before taxation		**(996)**	(619)
Taxation		**-**	-
Deficit for the financial year deducted from general reserves	16	**(996)**	(619)

All items of income and expenditure arise from continuing operations.

There is no difference between the deficit for the year stated above, and the historical cost equivalent.

University Campus Suffolk Ltd

Statement of total recognised gains and losses for the year ended 31 July 2009

	Note	2009 £'000	2008 £'000
Deficit for the year after taxation		(996)	(619)
Actuarial loss in pension scheme	24	(1,069)	(18)
Total gains and losses recognised since last annual report		(2,065)	(637)
Opening reserves		(637)	-
Total recognised losses for the year (as above)		(2,065)	(637)
Closing reserves		(2,702)	(637)

University Campus Suffolk Ltd

Balance sheet as at 31 July 2009

	Note	2009 £'000	2008 £'000
Fixed assets			
Tangible assets	10	**56,619**	48,149
Current assets			
Debtors	11	**1,542**	5,843
Cash at bank and in hand		**10,837**	4,375
		12,379	10,218
Creditors: amounts falling due within one year	12	**(7,276)**	(6,753)
Net current assets		**5,103**	3,465
Total assets less current liabilities		**61,722**	51,614
Creditors: amounts falling due after more than one year	13	**(12,500)**	(8,000)
Provisions for liabilities	14	**(3,539)**	(955)
Net assets excluding pension liability		**45,683**	42,659
Pension liability	24	**(2,101)**	(828)
Net assets including pension liability		**43,582**	41,831
Represented by:			
Deferred capital grants	15	**46,284**	42,468
Reserves			
Income and expenditure account excluding pension reserve		**(601)**	191
Pension reserve		**(2,101)**	(828)
Reserves	16	**(2,702)**	(637)
Total funds		**43,582**	41,831

The financial statements were approved by the Board of Directors on 5 November 2009 and were signed on its behalf by:

R. Lister

Mr R. Lister
Acting Chief Executive Officer

Professor C. Riordan
Chair of Board of Directors

University Campus Suffolk Ltd

Cash flow statement for the year ended 31 July 2009

	Note	2009 £'000	2008 £'000
Cash inflow from operating activities	17	**6,796**	3,446
Returns on investments and servicing of finance			
Interest received		**68**	236
Interest paid		**(593)**	(64)
Net cash (outflow)/inflow from returns on investments and servicing of finance		**(525)**	172
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		**(12,127)**	(35,231)
Deferred capital grants received		**7,818**	24,980
Net cash outflow from capital expenditure		**(4,309)**	(10,251)
Cash inflow/(outflow) before financing		**1,962**	(6,633)
Financing			
New bank loans		**4,500**	8,000
Increase in cash in the year	18	**6,462**	1,367

Reconciliation of net cash flow to movement in net funds/(debt)		£'000	£'000
Increase in cash in the year		**6,462**	1,367
Cash outflow from increase in debt		**(4,500)**	(8,000)
Movement in net debt		**1,962**	(6,633)
Net (debt)/funds at 1 August		**(3,625)**	3,008
Net debt at 31 July	18	**(1,663)**	(3,625)

1 Statement of accounting policies

Basis of preparation
The financial statements are prepared in accordance with the historical cost convention and in accordance with United Kingdom Accounting Standards. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Format of financial statements
The financial statements contain information about University Campus Suffolk Ltd ("UCS") as an individual company and do not include those of the students' union, as it is a separate entity in which the company has no financial interest, no control or significant influence over policy decisions. The financial statements have been prepared to conform with the Companies Act 2006 and also with the Statement of Recommended Accounting Practice (SORP): Accounting for Further and Higher Education dated July 2007, the use of which has been mandated by the terms of the funding arrangements in place between UCS, University of East Anglia, University of Essex and the Higher Education Funding Council for England.

Income recognition
Funding council grants are accounted for in the period to which they relate.

Tuition fee income is stated gross and credited to the income and expenditure account over the period in which students are studying. Bursaries are accounted for gross as expenditure and not deducted from income.

Recurrent income from grants, contracts and other services rendered are accounted for on an accruals basis and included to the extent of the completion of the contract or service concerned; any payments received in advance of such performance are recognised on the balance sheet as liabilities.

Grants received in respect of the acquisition or construction of fixed assets are treated as deferred capital grants. Such grants are credited to deferred capital grants and an annual transfer made to the income and expenditure account over the useful economic life of the asset, such as to match the rate of the depreciation charge on the asset for which the grant was awarded.

Investment income is credited to the income and expenditure account on a receivable basis.

Agency arrangements
Funds that UCS receives and disburses as paying agent on behalf of a funding body are excluded from the income and expenditure of the UCS where it is exposed to minimal risk or enjoys minimal economic benefit related to the transaction. Disclosures in relation to these arrangements are included in the note 25 to the financial statements.

Taxation
UCS 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 (ICTA 1988). Accordingly, UCS is exempt from taxation in respect of income or capital gains received within categories covered by section 505 of 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. UCS receives no similar exemption in respect of value added tax. Irrecoverable value added tax on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to tangible fixed assets is included in their cost.

Gifts in kind, including donated tangible fixed assets
Gifts in kind are reflected in 'other income' or 'deferred capital grants' as appropriate.

1 Statement of accounting policies (continued)

Tangible fixed assets
The cost of tangible fixed assets is their purchase cost together with any incidental costs of acquisition. Donated tangible fixed assets are included at deemed cost based on a valuation at the date of donation.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual value, over the expected useful economic lives of the assets in equal annual instalments at the following principal rates:

Freehold property	2-2.5%
Fixtures, fittings and equipment	12.5% - 25%

Freehold land and assets in the course of construction are not depreciated.

Inherited fixed assets
Assets inherited from Suffolk New College are stated in the balance sheet at their fair value on transfer based on depreciated replacement cost.

Acquisition with the aid of specific grants
Where assets are acquired with the aid of specific grants, they are capitalised and depreciated. The related grants are credited to a deferred capital grant account and released to the income and expenditure account over the expected useful economic life of the related assets on a basis consistent with the depreciation policy. In accordance with the provisions of the SORP, deferred capital grants are accounted for as part of equity.

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

Provisions, contingent liabilities and contingent assets
Provisions are recognised in the financial statements when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is discounted to present value where the time value of money is material. The discount rate used reflects current market assessments of the time value of money and reflects any risks specific to the liability.

Accounting for retirement benefits
The company contributes to the Universities Superannuation Scheme (USS) and the Local Government Superannuation Scheme (LGPS).

Both schemes are defined benefit schemes, but the USS scheme is a multi-employer scheme and it is not possible to identify the assets of the scheme which are attributable to UCS. In accordance with FRS17 this scheme is accounted for on a defined contribution basis and contributions to this scheme are included as expenditure in the period in which they are payable.

UCS is able to identify its share of assets and liabilities of the LGPS and thus fully adopts FRS 17 “Retirement benefits”. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated in accordance with FRS 17 requirements at each balance sheet date. The resulting defined benefit asset or liability is presented separately after other net assets on the face of the balance sheet.

1 Statement of accounting policies (continued)

The amounts charged to the income and expenditure account are as follows. The current and past service costs and gains and losses on settlements and curtailments are included as part of staff costs. The expected return on assets, net of the impact of the unwinding of the discounts on the scheme's liabilities, is shown within interest payable or other income. Actuarial gains and losses, including differences between expected and actual return on assets, are recognised immediately in the statement of total recognised gains and losses. Further details regarding the scheme are contained in note 24 to the financial statements.

Accounting for enhanced pension obligations
Liabilities in respect of enhanced pension obligations are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to UCS' liabilities. The actuarial valuations are updated at each balance sheet date. Movements in the liability are recognised in the income and expenditure account in the period in which they arise.

Exceptional items
Exceptional and non-recurring costs are those significant items which are separately disclosed by virtue of their size or incidence to enable a full understanding of UCS's underlying financial performance. Transactions which may give rise to exceptional and non-recurring costs are principally restructuring related costs and costs related to liabilities assumed by the company relating to the transfer of staff transferred from Suffolk New College.

2 **Funding body grants**	**2009 £'000**	2008 £'000
Recurrent grants		
Higher Education Funding Council for England – via University of East Anglia ("HEFCE")	**11,989**	9,623
Specific grants		
Aim Higher	**554**	-
Teaching Quality Enhancement Fund	**128**	89
Other grants	**21**	3
	703	92
Deferred capital grants released in year		
Buildings	**205**	-
Equipment	**296**	84
Total funding body grants	**13,193**	9,799

3 Tuition fees and education contracts

	2009 £'000	2008 £'000
Tuition fees		
Full-time home and EU students	**5,252**	3,839
Full-time international students	**128**	112
Part-time students	**1,471**	1,421
	6,851	5,372
Education contracts		
Strategic Health Authorities	**7,248**	6,753
General Social Care Council	**174**	201
Other contracts	**86**	104
	7,508	7,058
Total tuition fees and education contracts	**14,359**	12,430

4 Other income

	2009 £'000	2008 £'000
Deferred capital grants released in year	**1,401**	707
Other income	**1,659**	780
	3,060	1,487

5 Investment income

	2009 £'000	2008 £'000
Interest receivable from short term investments	**68**	236

6 Staff costs

	2009 £'000	2008 £'000
Wages and salaries	**10,810**	8,990
Social security costs	**846**	698
Other pension costs (note 24)	**1,529**	1,248
Total	**13,185**	10,936

Staff costs relate to staff directly employed by University Campus Suffolk Ltd. Staff employed in the Learning Network colleges to deliver Higher Education are disclosed in the accounts of the relevant colleges.

Emoluments of the Pro Vice-Chancellor and Chief Executive Officer	**£'000**	£'000
Salary	**159**	134
Pension contributions to USS	**17**	16
	176	150

In addition to the above emoluments, £120,000 was receivable by the Pro Vice-Chancellor and Chief Executive Officer, recognising his retirement before normal retirement age.

The only director to receive any emoluments from the company was the Pro Vice-Chancellor and Chief Executive Officer.

Retirement benefits are accruing to 1 director (2008: 1) under the Universities Superannuation Scheme

There are no other members of staff with an annual salary in excess of £100,000 (excluding employer's pension contributions).

6 Staff costs (continued)

The average monthly number of employees including directors employed during the year was:

	2009 Number	2008 Number
Academic departments	**218**	211
Academic services	**48**	51
Administration and central services	**82**	47
Premises	**24**	6
	372	315

Administration and central services and Premises staff numbers for the year have increased due to the transfer on 1st August 2008 of former Suffolk New College staff under TUPE transfer arrangements

7 Interest and other finance costs

	2009 £'000	2008 £'000
Bank loans	**633**	64
Other finance costs (note 24)	**156**	10
	789	74

8 Analysis of total expenditure by activity

	Staff Costs £000	Dep'n £000	Other Operating Expenses £000	Interest Payable £000	2009 Total £000	2008 Total £000
Academic departments	8,431	105	2,139	-	**10,675**	9,098
Academic services	1,641	-	1,272	-	**2,913**	2,503
Administration and central services	2410	1,363	7,588	789	**12,150**	6,171
Premises	644	833	2,293	-	**3,770**	717
Other	59	-	559	-	**618**	4,325
Year ended 31 July 2009	**13,185**	**2,301**	**13,851**	**789**	**30,126**	22,814
Year ended 31 July 2008	10,936	791	11,013	74	22,814	

Other operating expenses include:

	2009 £'000	2008 £'000
External auditors' remuneration in respect of audit fees	**34**	31
External auditors' remuneration in respect of other services	**8**	16

9	**Exceptional items**	**2009 £'000**	2008 £'000
	Restructuring costs	**(1,093)**	-
	Bulk transfer of employee pensions to the USS scheme	**(457)**	-
	FRS 17 opening deficit transferred from Suffolk New College	-	(802)
	Provision for enhanced pension obligations transferred from Suffolk New College	-	(955)
		(1,550)	(1,757)

Restructuring costs

During the year the company underwent a significant restructuring program. The purpose of this was the revision of curriculum offer and an enhancement of organisational structures. Restructuring costs relate to employment termination.

Bulk transfer of employee pensions to the USS scheme

Upon transferring from Suffolk New College under TUPE arrangements in 2007/08, staff previously contributing to the Teachers Pension Scheme joined the Universities Superannuation Scheme. The cost of transferring the associated past benefits between the schemes is £2,557k of which £2,100k was funded from the original HEFCE Strategic Development Fund grant (see note 15).

10 Tangible fixed assets

	Freehold land and buildings £'000	**Fixtures, fittings and equipment £'000**	**Assets in the course of construction £'000**	**Total £'000**
Cost or fair value				
At 1 August 2008	15,988	3,088	29,929	49,005
Transfers	30,779	1,238	(32,017)	-
Additions - other	81	2,256	8,434	10,771
At 31 July 2009	**46,848**	**6,582**	**6,346**	**59,776**
Accumulated depreciation				
At 1 August 2008	28	828	-	856
Charge for the year	833	1,468	-	2,301
At 31 July 2009	**861**	**2,296**	**-**	**3,157**
Net book value				
At 31 July 2009	**45,987**	**4,286**	**6,346**	**56,619**
At 31 July 2008	15,960	2,260	29,929	48,149

At 31 July 2009, freehold land and buildings and assets in the course of construction included £15,845k (2008: £15,845k) in respect of freehold land which is not depreciated.

11 Debtors

	2009 £'000	2008 £'000
Trade debtors	**54**	737
Amounts owed by related parties	**558**	3,702
Other debtors	**203**	474
Prepayments and accrued income	**727**	930
	1,542	5,843

Amounts owed by related parties are unsecured, interest free and are repayable on demand (see note 22 to the financial statements for further details).

12 Creditors: amounts falling due within one year

	2009 £'000	2008 £'000
Trade creditors	**469**	418
Capital creditors	**1,300**	2,656
Amounts due to related parties	**1,352**	512
Taxation and social security payable	**321**	242
Other creditors	**1,596**	255
Accruals and deferred income	**2,238**	2,670
	7,276	6,753

Amounts due to related parties are unsecured, interest free and are repayable on demand (see note 22 to the financial statements for further details).

13 Creditors: amounts falling due after more than one year

	2009 £'000	2008 £'000
Unsecured loans, due in more than five years	**12,500**	8,000

On 9 July 2008 UCS entered into a loan facility agreement with Barclays Bank plc. The facility comprised a revolving facility which bore interest at 6.07%. On 15 October 2008, the amounts drawn down under the revolver facility were converted into a term loan of £12,500,000 which bears interest at a fixed rate of 5.09%. The loan is repayable in quarterly instalments through to October 2038, with no capital being repaid until January 2013.

Of the £12,500,000 facility, an amount of £10,000,000 has been guaranteed by University of East Anglia and University of Essex in equal proportion.

Maturity profile

	2009 £'000	2008 £'000
Amounts falling due:		
Between two and five years	**422**	36
In more than five years	**12,078**	7,964
	12,500	8,000

	Enhanced pension contributions £'000	Pension transfers £'000	Total £'000
14 Provision for liabilities			
At 1 August 2008	955	-	955
Utilised in year	(60)	-	(60)
Transfer from deferred capital grants (note 15)	-	2,100	2,100
Charged to income and expenditure account in year	87	457	544
At 31 July 2009	**982**	**2,557**	**3,539**

This provision for enhanced pension obligations is for the discounted value of liabilities for future enhanced pension benefits payable over the lifetime of the recipients.

The pension transfers provision relates to sums due in respect of members transferring to other schemes and is expected to be utilised over a 10 year period ending in 2019.

15 Deferred capital grants	Funding council £'000	Other £'000	Total £'000
At 1 August 2008	14,941	27,527	42,468
Reclassification	(1,460)	1,460	-
Cash received and receivable	1,020	6,798	7,818
Transfer to provisions (note 14)	(2,100)	-	(2,100)
Released to income and expenditure account	(501)	(1,401)	(1,902)
At 31 July 2009	**11,900**	**34,384**	**46,284**

16 Movement in income and expenditure account (including pension reserve)	£'000
At 1 August 2008	(637)
Deficit for the financial year	(996)
Actuarial loss on pension scheme	(1,069)
At 31 July 2009	**(2,702)**

17 Reconciliation of deficit to net cash inflow from operating activities	2009 £'000	2008 £'000
Deficit before taxation	**(996)**	(619)
Interest receivable	**(68)**	(236)
Deferred capital grant released	**(1,902)**	(791)
Depreciation and amounts written off fixed assets	**2,301**	791
Interest payable	**633**	64
Decrease/(increase) in debtors	**4,301**	(1,781)
Increase in creditors	**1,839**	5,003
Increase in provisions	**484**	955
Receipt of donated equipment	**-**	(750)
Pension costs less contributions payable	**204**	810
Net cash inflow from operating activities	**6,796**	3,446

18 Analysis of changes in net debt

	At 1 August 2008 £'000	Cash flow £'000	At 31 July 2009 £'000
Cash at bank and in hand	4,375	6,462	**10,837**
Debt due after one year	(8,000)	(4,500)	**(12,500)**
	(3,625)	1,962	**(1,663)**

19 Capital and other commitments

	2009 £'000	2008 £'000
Provision has not been made for the following capital commitments at 31 July 2009:		
Commitments contracted for	-	4,797

20 Capital and reserves

The company has no share capital as it is limited by guarantee. All members of the company undertake to contribute such a sum as is required, not exceeding £1, to the assets of the company should it be wound up whilst they are a member or within one year after they cease to be a member.

21 Contingent assets

On 9 September 2008, the company was gifted a plot of land on the Ipswich waterfront by Ipswich Borough Council. This land was gifted to UCS to allow the development of Phase II of the capital building programme. The land is subject to a legal charge in favour of IBC. This legal charge will reduce proportionately as UCS develops the site for permitted use as set out in the transfer documentation. Once UCS has developed 90% of the site the legal charge will be fully satisfied.

The company has a contingent asset in respect of the portion of the land on which it commenced new building works prior to the year end. The legal charge will not be released on this portion until the building reaches ground floor level. The fair value of the land will be recognised as an exceptional credit to the income and expenditure account at the point the legal charge is lifted.

22 Disclosure of related party transactions

Due to the nature of the company's operations and the composition of the Board of Directors, being drawn from the senior employees of the member Universities, partner colleges and local authorities, it is inevitable that transactions will take place with organisations in which a Director may have an interest. All transactions involving organisations in which a Director may have an interest, including those identified below, are carried out at arms length and in accordance with the company's usual procurement procedures.

University of East Anglia
During the period, UCS purchased goods and services to the value of £417,310 (2008: £668,000) from University of East Anglia ("UEA"). At 31 July 2009, the outstanding balance was £4,166 (2008: £3,000). In addition, UCS provided services to UEA to the value of £103,620 (2008: £46,000) during the period. At 31 July 2009, amounts owed by UEA amounted to £500 (2008: £2,000).

University of Essex
During the period, UCS purchased goods and services to the value of £324,267 (2008: £349,000) from University of Essex. At 31 July 2009, the outstanding balance was £221 credit (2008: £154,000). In addition, UCS provided services to University of Essex to the value of £11,967 (2008: £2,000). At 31 July 2009, amounts owed by University of Essex amounted to £63 (2008: £600).

Suffolk New College
During the period, UCS purchased services to the value of £2,085,523 (2008: £1,737,000) from Suffolk New College. At 31 July 2009 the outstanding balance was £1,317,376 (2008: £354,000). In addition UCS purchased land and buildings from Suffolk New College during the year to the value of £nil (2008: £12,660,000).

Sales transactions to Suffolk New College for the period totalled £463,398 (2008: £359,000). At 31 July 2009 the amounts owed by Suffolk New College amounted to £168,398 (2008: £177,000).

West Suffolk College
During the period, purchase transactions totalled £2,684,590 (2008: £2,193,000). At 31 July 2009 the outstanding balance was £11,661 (2008: £nil). In addition, sales transactions for the period totalled £49,686 (2008: £2,000). At 31 July 2009 the amounts owed by West Suffolk College amounted to £844 (2008: £2,000).

Ipswich Borough Council
During the period, purchase transactions totalled £159,883 (2008: £248,000). At 31 July 2009 the outstanding balance was £16,369 credit (2008: £nil). Sales transactions to Ipswich Borough Council for the period totalled £25,200 (2008: £51,000). At 31 July 2009 the amounts owed by Ipswich Borough Council amounted to £15,000 (2008: £nil).

Suffolk County Council
During the period, purchase transactions totalled £393,932 (2008: £399,000). At 31 July 2009 the outstanding balance was £35,562 (2008: £1,500). Sales transactions for the period totalled £994,445 (2008: £235,000). At 31 July 2009 the amounts owed by Suffolk County Council amounted to £13,435 (2008: £nil).

In addition, Suffolk County Council provided capital grants during the year totalling £500,000 (2008: £7,701,000). Of these, £359,337 was outstanding at 31 July 2009 (2008: £3,520,000).

23 Ultimate controlling undertaking

The company is jointly controlled by the University of East Anglia and the University of Essex.

24 Pension commitments

UCS's employees belong to two principal pension schemes: the Universities Superannuation Scheme (USS); and the Local Government Pension Scheme (LGPS), which is administered by Suffolk County Council. Both are defined-benefit schemes.

Total pension cost for the year	**2009**	2008
	£'000	£'000
USS contributions paid	**1,125**	934
Local Government Pension Scheme	**560**	324
Charged to the income and expenditure account (notes 6 and 7)	**1,685**	1,258

Universities Superannuation Scheme (USS)

The company participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is externally funded and contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited.

Because of the mutual nature of the scheme, the company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

The latest actuarial valuation of the scheme was at 31 March 2008. This was the first valuation for USS under the new scheme-specific funding regime introduced by the Pensions Act 2004 requiring schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. The valuation was carried out using the projected unit method.

The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

Investment returns per annum	6.4% per annum
Salary scale increases per annum	4.3% per annum
Discount rate	6.1% per annum
Standard mortality tables were used as follows:	248
• Male members' mortality	PA92 MC YoB tables rated down 1 year
• Female members' mortality	PA92 MC YoB tables with no age rating
Notional value of assets at date of last valuation	£28,308 million
Proportion of members' accrued benefits covered by the notional value of the assets	103%

The next formal triennial actuarial valuation is due as at 31 March 2011. The contribution rate will be reviewed as part of each valuation and may be reviewed more frequently.

24 Pension commitments (continued)

Local Government Pension Scheme (LGPS)

The LGPS is valued every three years by professionally qualified independent actuaries using the projected unit method, the rates of contribution payable being determined by the trustees on the advice of the actuaries. In the intervening years, the LGPS actuary reviews the progress of the LGPS scheme.

For the LGPS, the actuary has indicated that the resources of the scheme are likely, in the normal course of events, to meet the liabilities as they fall due at the level specified by the LGPS Regulations. The contribution payable by the employer was set at 19.5% of pensionable salaries from August 2007.

Under the definitions set out in FRS 17, the LGPS is a multi-employer defined benefit pension scheme. In the case of the LGPS, the actuary of the scheme has identified the company's share of its assets and liabilities as at 31 July 2009.

The pension scheme assets are held in a separate trustee-administered fund to meet long-term pension liabilities to past and present employees. The trustees of the fund are required to act in the best interests of the fund's beneficiaries. The appointment of trustees to the fund is determined by the scheme's trust documentation. The trustees are responsible for setting the investment strategy for the scheme after consultation with professional advisers.

The material assumptions used by the actuary for the purposes of FRS17 at 31 July 2009 and 1 August 2008 were:

	2009	2008
	%	%
Future pension increases	**3.7**	3.8
Future salary increases	**5.2**	5.3
Expected return on assets	**6.7**	7.1
Discount rate	**6.0**	6.7

To develop the expected long-term rate of return on assets assumption, the company considered the current level of expected returns on risk free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for the future returns of each asset class. The expected return for each asset class was then weighted based on the target asset allocation to develop the expected long-term rate of return on assets assumption for the portfolio.

The mortality tables were used as follows:

Pre-retirement mortality	PFA92 and PMA92 projected to the year 2033
Post-retirement mortality	PFA92 and PMA92 projected to the year 2017

The assumed life expectations on retirement aged 65 are:

	2009	2008
	Years	Years
Retiring today		
Males	**19.6**	19.6
Females	**22.5**	22.5
Retiring in 20 years		
Males	**20.7**	20.7
Females	**23.6**	23.6

24 Pension commitments (continued)

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

	Long-term return	**31 July 2009 Fund value £'000**	Long-term return	1 August 2008 Fund value £'000
Equities	**7.3%**	**2,354**	7.8%	1,614
Bonds	**5.3%**	**654**	5.7%	469
Properties	**5.3%**	**196**	5.7%	248
Cash	**4.3%**	**65**	4.8%	56
		3,269		2,387

The following amounts at 31 July 2009 were measured in accordance with the requirements of FRS17.

	2009 £'000	2008 £'000
Analysis of the amount shown in the balance sheet		
Fair value of employer assets	**3,269**	2,387
Present value of funded obligations	**(5,370)**	(3,215)
Deficit in the scheme - net pension liability	**(2,101)**	(828)
Amount charged to staff costs in profit and loss account		
Current service cost	**261**	254
Past service cost	**143**	60
Total operating charge	**404**	314
Analysis of the amount charged to other finance costs		
Expected return on pension scheme assets	**135**	173
Interest on pension scheme liabilities	**(291)**	(183)
Total other finance costs	**(156)**	(10)
Analysis of the amount that is recognised in the statement of total recognised gains and losses (STRGL)		
Actual return less expected return on pension assets	**269**	(356)
Experience losses arising on scheme liabilities	**5**	(6)
Changes in assumptions underlying the present value of the scheme liabilities	**(1,343)**	344
Actuarial loss recognised in STRGL	**(1,069)**	(18)
Analysis of the movement in the present value of scheme liabilities		
At the beginning of year/upon transfer of employees	**3,215**	2,960
Current service cost	**261**	254
Interest cost	**291**	183
Contributions by scheme participants	**122**	96
Actuarial gains/(losses)	**1,338**	(338)
Past service costs	**143**	60
At end of the year	**5,370**	3,215

24 Pension commitments (continued)

	2009 £'000	2008 £'000
Analysis of the movement in the fair value of scheme assets		
At the beginning of year/upon transfer of employees	**2,387**	2,158
Expected return on assets	**135**	173
Contributions by scheme participants	**122**	96
Contributions by the employer	**356**	316
Actuarial gains/(losses)	**269**	(356)
At end of the year	**3,269**	2,387

	2009 £'000	2008 £'000
Amounts for current and previous two years:		
Defined benefit obligation	**(5,370)**	(3,215)
Plan assets	**3,269**	2,387
Deficit	**(2,101)**	(828)
Experience adjustments on plan assets	**269**	(356)
Experience adjustments arising on scheme liabilities	**5**	(6)
Total amount recognised in statement of total recognised gains and losses	**(1,069)**	(18)

Defined benefit scheme assets do not include any of UCS' own financial instruments or any property controlled by UCS.

The estimation of the contribution for the defined benefit scheme for the year to 31 July 2010 is £404,000.

25 Amounts disbursed as agents

	2009 £'000	2008 £'000
Access to Learning Funds (ALF)		
Funding received from HEFCE	**227**	129
Brought forward from previous year	**13**	-
Funds transferred from other companies	**-**	11
Interest received	**-**	1
Amounts disbursed to students	**(178)**	(119)
Fund administration costs	**(7)**	(4)
Excess of income over expenditure	**55**	18

ALF grants are available solely to assist students, UCS acts only as paying agent. The grants and related disbursements are therefore excluded from the income and expenditure account

ITT Bursaries

	2009 £'000	2008 £'000
Funding received	**138**	98
Amounts disbursed to students	**(138)**	(95)
Excess of income over expenditure	**-**	3

Amounts shown above as excess of income over expenditure are included in the balance sheet as at 31 July 2009 as cash and creditors falling due within one year.