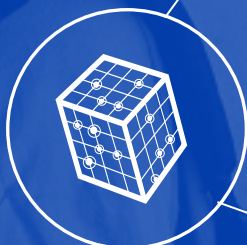




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ANNUAL ACCOUNTS AND FINANCIAL STATEMENTS 2004

For the year ended 31 July

HERIOT-WATT UNIVERSITY
ANNUAL ACCOUNTS & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2004

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REPORT BY THE CONVENOR OF THE FINANCE COMMITTEE

SCOPE OF THE FINANCIAL STATEMENTS

The financial statements presented to the Court for the year-ended 31 July 2004 consolidate the transactions of the University and its subsidiary undertakings.

FINANCIAL PLANNING

The University's financial planning is designed to enhance revenues and minimise avoidable costs in order to generate net surpluses for investment in the furtherance of the University's educational objectives.

In order to ensure that debt levels do not threaten the achievement of the University's strategic objectives, cash flow is managed closely and the terms of debt instruments are monitored to ensure that financial risk is mitigated.

RESULTS FOR THE YEAR

The consolidated income and expenditure was:

	2004	2003	2002	2001	2000
	£m	£m	£m	£m	£m
Income	90.9	85.3	80.0	76.9	71.8
Expenditure	<u>(89.6)</u>	<u>(84.5)</u>	<u>(84.5)</u>	<u>(81.7)</u>	<u>(78.2)</u>
Operating Surplus / (Deficit)	1.3	0.8	(4.5)	(4.8)	(6.4)
Gain on Sale of Subsidiary	-	-	2.5	-	-
Cost of Restructuring	-	-	(5.9)	-	-
Endowment Revenue Release	-	-	-	-	2.1
Surplus / (Deficit) for the year	<u>1.3</u>	<u>0.8</u>	<u>(7.9)</u>	<u>(4.8)</u>	<u>(4.3)</u>

The University has continued the trend of recent years with a further improvement in its consolidated operating performance, reflected in an increased operating surplus of £1.3 million for the year.

The University's own results, before property transactions, are consistent with the improvement seen in the consolidated figures and its own performance was broadly neutral for the year. As in previous years, the Edinburgh Business School made a strong contribution to the consolidated result and it is gratifying to also note the positive contribution also made by the Edinburgh Conference Centre.

CASH FLOW MANAGEMENT

The University has continued to focus on cash flow to ensure both that debt levels are controlled and that cash continues to be made available as necessary for educational activities. Consolidated net debt at the end of the financial year was £20.4 million (2003 £20.9 million). The University's net debt at the year-end, excluding the Edinburgh Business School, was £28.5 million (2003 £28.3 million). Cash outflows were primarily driven by previously committed capital expenditure as described below. Current debt levels are regarded as manageable.

Unless special terms are agreed, it is the University's policy to pay invoices at the end of the month following the month in which the invoice is dated. At 31 July 2004 there were 34 days (2003 – 28 days) of purchases in trade creditors. No interest was payable under the terms of the Late Payment of Commercial Debts (Interest) Act 1998.

CAPITAL PROJECTS

During the year £10.8 million was invested in additions to the fabric and infrastructure of the University capital base. The principal capital spend was on the final phase of the new Sports Academy, which has now been completed and was opened in May 2004. Further significant capital spend was also incurred to enhance the University's research capabilities, funded by grants from the SRIF (Scientific Research Investment Fund) scheme. Unless adequately supported by government or other funding sources no significant new capital spend is anticipated in the foreseeable future.

MINORITY INVESTMENTS

The University has had, for a number of years, a policy for the commercialisation of its research base, in some cases through the creation of 'spin-out' companies, in which the University retains a minority investment. As at 31 July 2004 there were eleven investments (2003 – five) in a range of different companies. The market value of these investments is not reflected in the University's financial statements.

EMPLOYMENT OF DISABLED PERSONS

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of existing employees becoming disabled every effort is made to ensure that their employment with the University continues and that appropriate training is arranged. It is the policy of the University that the recruitment, training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

A handwritten signature in black ink, appearing to read 'GB', with a long horizontal line extending to the right.

Graeme Bissett BA CA

CORPORATE GOVERNANCE STATEMENT

GOVERNANCE

The University is committed to exhibiting best practice in all aspects of corporate governance and this statement describes the principal governance provisions which presently apply. The Court of the University keeps these provisions under review to take account of best practice from time to time including the principles set out in Section 1 of the Combined Code on Corporate Governance. This incorporates internal control guidance for directors on the Combined Code as amended by the British Universities Finance Directors Group.

In the opinion of the Court, the University complied with all the provisions of the Combined Code, in so far as they were applicable to the higher education sector, throughout the year ended 31 July 2004. The Court also regularly reviews its governance provisions in line with both any recommendations made by SHEFC and any changes made in the Combined Code. For the year-ended 31 July 2004, with the exception of the number of Court members, discussed below, the University also complied in all material respects with the recommended practices set out in the Guide for Members of Governing Bodies of Scottish Higher Education Institutions and Good Practice Benchmarks.

The Court, which has thirty four members including the Chairman who is always one of the lay members, is the ultimate decision taking body. Nineteen of the Court members are directly elected, eight are co-opted and the others are ex officio. As this is more than the recommended number of members laid down in the SHEFC guidelines and the Court has decided to move towards reducing the membership of Court to twenty five members. The Court has responsibility for the University's strategic direction, reputation, financial well-being, the well-being of staff and students and, in association with the Senate, establishing and maintaining high standards of academic conduct and probity.

To discharge these responsibilities:

- The Court met seven times during the year. The principal business of the Court is the consideration and approval of strategic plans and annual budgets, the monitoring of staffing, student, estates and finance issues, the setting and review of appropriate performance measures and ensuring that there is a clear definition of delegated powers and lines of accountability. At each meeting the Court receives a management report from the Principal as well as reports from its Committees. The University's senior management attend Court meetings along with Deans and Deputy Principals to ensure optimum communication within the University.
- The Court has a Remuneration Committee made up of lay members. The Principal and Secretary are in attendance if required but are not present when their personal remuneration is considered. There is also a Nominating Committee of Court made up of lay members, Principal and Vice-Principal, with the lay members being in the majority. The Remuneration and Nominating Committees meet at least once per year under the convenorship of the Chairman of Court.
- The Court has an Audit Committee made up of lay members which meets at least three times a year with the External and Internal Auditors. It receives and considers reports and recommendations for the improvement of internal controls along with management responses. It also reviews the University's annual financial statements.
- The Court also has Finance, Estate Strategy and Staffing Strategy Committees each of which has a different lay member of Court as convenor.
- The terms of reference of all of the Court Committees are agreed by the Court.
- There is an Emergency Committee consisting of the Chairman of Court, the convenors of the Finance, Estate Strategy and Staffing Strategy Committees, the Principal and Vice-Principal ex officio, and one of the University members of staff on Court. The Committee deals with emergency business which may arise between Court meetings.
- Where the University has commercial interests, the Court through the University's management appoints directors to the boards of companies appropriate to the nature and size of the University's shareholding.
- The University has taken necessary steps to ensure compliance with FR58 on Related Party transactions and any interests which require to be disclosed to members of Court are recorded in the Court minutes.
- The Secretary of the University is the Clerk to the Court.

FINANCIAL ASPECTS OF GOVERNANCE

In accordance with the terms of the Financial Memorandum between SHEFC and the University, the Court is required to present each year audited financial statements which give a true and fair view of the state of affairs of the University and of the surplus or deficit and cash flows for that year. The Court must also ensure that the financial statements are prepared in accordance with the University's Charter, and the Statement of Recommended Practice on accounting in Higher Education.

In causing the Accounts to be prepared the Court has ensured that:

- They are prepared on the going concern basis in that the Court is satisfied that the University has adequate resources to continue in operation for the foreseeable future.
- Suitable accounting policies are selected and applied consistently.
- Judgements and estimates are made that are reasonable and prudent.
- Applicable accounting standards are followed, subject to any material departures disclosed and explained in the Accounts.

The Court has taken reasonable steps to:

- Ensure that funds from SHEFC are used only for the purposes for which they have been given and in accordance with the Financial Memorandum and any other conditions which the Funding Council may from time to time prescribe. Under the terms of the Financial Memorandum the designated officer, who is required to ensure such compliance, is the Principal and Vice-Chancellor.
- Ensure that there are appropriate financial and other internal controls in place to safeguard public funds and funds from other sources. This system of internal control is continuously reviewed and developed in line with current best practice.
- Safeguard the assets of the University and prevent and detect fraud.
- Secure the economical, efficient and effective management of the University's resources and expenditure.
- Ensure that the University management has an adequate system of internal control, and regularly monitors and reviews its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The University's system of internal financial control includes the following:

- Definition of the responsibilities of, and the authority delegated to, heads of academic and administrative operating groups.
- A comprehensive planning process for each operating group, together with detailed annual income, expenditure, capital and cash flow budgets, overseen by the Deputy Principal (Resources) together with the Director of Finance and the Director of Planning.
- Monthly reviews of financial results involving variance reporting and updates of forecast outturns and regular reviews of academic performance.
- Clearly defined requirements for approval of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the Court.
- Comprehensive Financial Regulations, detailing financial controls and procedures, approved by the Audit Committee and Court.
- An Internal Audit team whose annual programme is approved by the Audit Committee and who report to the Audit Committee.
- An ongoing process for identifying, evaluating and managing the University's significant risks has been in place throughout the period. This process is regularly reviewed by the Audit Committee.

The Audit Committee on behalf of Court, with the assistance of both external and internal audit, considers the wider aspects of internal control within the University. The Audit Committee, with the assistance of internal audit, also considers the issue of value for money within the University.

INDEPENDENT AUDITORS' REPORT TO THE COURT OF HERIOT-WATT UNIVERSITY

We have audited the Financial Statements for the year ended 31 July 2004 which comprise the Consolidated Income and Expenditure Account, Consolidated Statement of Total Recognised Gains and Losses, Group and University Balance Sheets, Consolidated Cash Flow Statement, and the related notes 1 to 35. These Financial Statements have been prepared on the basis of the principal accounting policies as set out herein.

This report is made solely to the Court of Heriot-Watt University, as a body, in accordance with its Financial Memorandum. Our audit work has been undertaken so that we might state to the University Court those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the University Court as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE UNIVERSITY COURT AND THE AUDITORS

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

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

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

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

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

BASIS OF AUDIT OPINION

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

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

OPINION

In our opinion:

- a) The Financial Statements give a true and fair view of the state of affairs of the University and of the Group as at 31 July 2004, and of the surplus of the Group for the year then ended and have been properly prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education;
- b) Income from the Scottish Higher Education Funding Council, grants and income for specific purposes and from other restricted funds administered by the University have been applied for the purposes for which they were received; and
- c) Income has been applied in accordance with the Further and Higher Education (Scotland) Act 1992 governing the University and, where appropriate, with the Financial Memorandum dated 1 August 1996 (incorporating 1998 revisions) with the Scottish Higher Education Funding Council.

Ernst & Young LLP
Registered Auditor
Edinburgh

Ernst & Young LLP

13 December 2004

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 JULY 2004

	Note	2004 £000	2003 £000
Income			
Funding Council Grants	2	33,458	32,253
Tuition Fees and Education Contracts	3	20,852	19,748
Research Grants and Contracts	4	14,908	14,371
Other Income	5	21,201	20,475
Endowment and Investment Income	6	561	427
Total income		<u>90,980</u>	<u>87,274</u>
Expenditure			
Staff Costs	7	51,675	49,844
Other Operating Expenses	8	31,591	29,800
Depreciation	11	4,708	5,185
Interest Payable	9	1,669	1,646
Total expenditure	10	<u>89,643</u>	<u>86,475</u>
Surplus on continuing operations before disposal of assets and before taxation		1,337	799
Loss on disposal of assets		(128)	-
Surplus on continuing operations after disposal of assets but before taxation		<u>1,209</u>	<u>799</u>
Taxation		-	-
Surplus on continuing operations after disposal of assets and taxation		<u>1,209</u>	<u>799</u>
Transfer from accumulated income within specific endowments		91	-
Net surplus for the year retained within general reserves		<u>1,300</u>	<u>799</u>

The income and expenditure account is in respect of continuing activities.

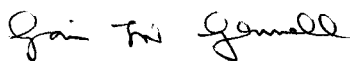
CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 JULY 2004

	Note	2004 £000	2003 £000
Surplus on continuing operations before taxation		1,209	799
Appreciation of endowment asset investments	21	193	162
Endowment income retained for the year		-	14
New endowments	21	162	212
Total recognised gains relating to the year		<u>1,564</u>	<u>1,187</u>
Reconciliation			
Opening reserves and endowments		27,041	25,854
Total recognised gains for the year		<u>1,564</u>	<u>1,187</u>
Closing reserves and endowments		<u>28,605</u>	<u>27,041</u>

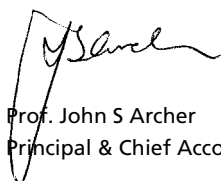
BALANCE SHEETS AS AT 31 JULY 2004

		Group		University	
	Note	2004 £000	2003 £000	2004 £000	2003 £000
Fixed Assets					
Tangible Assets	11	95,887	89,905	84,091	82,550
Investments	12	115	123	220	254
Total fixed assets		<u>96,002</u>	<u>90,028</u>	<u>84,311</u>	<u>82,804</u>
Endowment Assets	14	<u>5,614</u>	<u>5,350</u>	<u>4,210</u>	<u>4,020</u>
Stock		53	98	32	71
Debtors	15	9,259	8,217	14,170	8,483
Investments and Short Term Deposits	16	243	254	4,006	4,389
Cash at Bank and in Hand		<u>8,701</u>	<u>5,910</u>	<u>5,335</u>	<u>2,939</u>
		18,256	14,479	23,543	15,882
Less: Creditors - Amounts falling due within one year	17	<u>(18,425)</u>	<u>(14,828)</u>	<u>(17,320)</u>	<u>(17,686)</u>
Net Current (Liabilities) / Assets		<u>(169)</u>	<u>(349)</u>	<u>6,223</u>	<u>(1,804)</u>
Total Assets Less Current Liabilities		101,447	95,029	94,744	85,020
Less: Creditors - Amounts falling due after more than one year	18	(30,643)	(27,973)	(33,126)	(26,151)
Less: Provisions for liabilities and charges	19	<u>(943)</u>	<u>(1,358)</u>	<u>(943)</u>	<u>(1,358)</u>
NET ASSETS		<u>69,861</u>	<u>65,698</u>	<u>60,675</u>	<u>57,511</u>
Deferred Capital Grants	20	41,256	38,657	39,759	38,657
Specific Endowments	21	5,614	5,350	4,210	4,020
General Reserve	22	<u>22,991</u>	<u>21,691</u>	<u>16,706</u>	<u>14,834</u>
TOTAL FUNDS		<u>69,861</u>	<u>65,698</u>	<u>60,675</u>	<u>57,511</u>

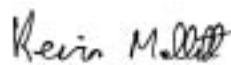
The Financial Statements on pages 7 to 27 were approved by the University Court on 13th December 2004 and were signed its behalf by:-



Gavin J N Gemmell
Chairman of Court



Prof. John S Archer
Principal & Chief Accounting Officer



Kevin J Mallett
Acting Finance Director

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 2004

	Note	2004 £000	2003 £000
Cash inflow from operating activities	23	7,427	3,806
Returns on investment and servicing of finance	24	(1,005)	(1,205)
Capital expenditure and financial investment	25	(5,952)	(4,567)
Management of liquid resources		-	5,607
Financing	27	2,321	(378)
Increase in cash in the year		<u>2,791</u>	<u>3,263</u>

Reconciliation Of Net Cash Flow To Movement In Net Debt

Increase in cash in the period		2,791	3,263
(Decrease) in short term deposits		-	(5,607)
Financing		(2,321)	378
Movement in net debt		470	(1,966)
Net debt at 1 August 2003		(20,874)	(18,908)
Net debt at 31 July 2004	28	<u>(20,404)</u>	<u>(20,874)</u>

NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2003 and in accordance with applicable accounting standards.

Basis of accounting

The financial statements are prepared in accordance with the historical cost accounting convention as modified by the revaluation of endowment asset investments.

Basis of consolidation

The consolidated financial statements include the University and its subsidiaries, as detailed at note 13. The results of subsidiaries acquired or disposed of during the year are included in the consolidated income and expenditure account from the day of acquisition or up to the date of disposal.

All intra-group sales and profits are eliminated fully on consolidation.

In accordance with FRS 2, the activities of the Heriot-Watt University Students Union have not been consolidated as the University does not control these activities.

Recognition of income

Income from tuition fees is recognised in the year for which it is received and includes all fees chargeable to students or their sponsors. The costs of any fees waived by the University and any scholarships given to students are included as expenditure in Note 10.

Income from grants, contracts and other services rendered is included to the extent of the completion of the contract or service concerned.

All income from short-term deposits and endowments is credited to the income and expenditure account in the year in which it is earned.

Income from specific endowments not expended in accordance with the restrictions of the endowment is transferred from the income and expenditure account to specific endowments.

Pension schemes

Retirement benefits to employees of the University are provided principally by the Universities Superannuation Scheme (USS) and the Lothian Pension Fund (LPF). These are defined benefit schemes, which are externally funded and contracted out of the State Earnings-Related Pension Scheme (SERPS).

These costs are based on actuarial advice and are accounted for by charging the cost of providing pensions over the remaining period over which the University benefits from the employees services. Full provision has been made for those pension costs which do not arise from externally funded defined benefit schemes.

The subsidiary undertakings do not operate any pension schemes. Employees of the subsidiary undertakings are members of the University's pension schemes. The amount charged against profits represents the contributions payable to the individual plans in respect of the year.

Land and buildings

Land and buildings are stated at cost. Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life to the University of 50 years.

Where land and buildings are acquired with the aid of specific grants, they are capitalised and depreciated as above. The related grants are credited to a deferred capital grant account and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

NOTES TO THE FINANCIAL STATEMENTS – continued

Equipment

Equipment costing less than £5,000 per individual item is written off to the income and expenditure account in the year of acquisition. All other equipment is capitalised at cost.

All assets are depreciated over their useful economic life as follows:

Motor vehicles - four years

General equipment - five years

Computer equipment - five years

Furniture and fittings - five years

Furniture purchased for new buildings is capitalised when the construction cost exceeds £5,000. All other furniture is written off in the year of purchase.

Where equipment is acquired with the aid of specific grants, it is capitalised and depreciated in accordance with the above policy, with the related grant being 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.

Leased assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Leasing agreements, which transfer to the University substantially all the benefits and risks of ownership of an asset, are treated as if the asset has been purchased outright. The assets are included in fixed assets and the capital elements of the leasing commitments are shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements.

The capital element is applied in order to reduce outstanding obligations and the interest element is charged to the income and expenditure account in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease term or the useful economic lives of equivalent owned assets.

Investments

Listed investments held as fixed assets or endowment assets are stated at market value. Current asset investments, which may include listed investments, are stated at the lower of their cost and net realisable value.

Stocks

Stocks are stated at the lower of their cost and net realisable value. Where necessary provision is made for obsolete, slow-moving and defective stocks.

Maintenance of premises

The cost of routine corrective maintenance is charged to the income and expenditure account in the period that it is incurred.

Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated at the rate 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.

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

NOTES TO THE FINANCIAL STATEMENTS – continued**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 (ICTA 1988).

Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 505 of the ICTA 1988 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes. The subsidiaries, excluding the Edinburgh Business School, transfer their annual profits to the University by gift aid.

In certain instances Value Added Tax is recoverable, but where this is not possible the cost is included in the relevant expenditure.

Liquid resources

Liquid resources comprise short-term deposits with recognised banks.

Provisions

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

2. FUNDING COUNCIL GRANTS

	Group	
	2004	2003
	£000	£000
Recurrent Grant		
Teaching	21,826	21,820
Research	8,888	7,630
Other	505	664
Specific Grants		
Strategic change	-	213
Other grants	287	859
Deferred Capital Grants Released in Year		
Buildings	1,524	923
Equipment	428	144
	<u>33,458</u>	<u>32,253</u>

NOTES TO THE FINANCIAL STATEMENTS – continued**3. TUITION FEES AND EDUCATION CONTRACTS**

	Group	
	2004	2003
	£000	£000
Full-time students	7,166	6,738
Full-time students charged overseas fees	7,959	7,167
Part-time fees	2,374	1,227
Research training support grants	633	421
Short course fees	1,312	1,370
Examination fees	935	1,134
Other fees	473	1,691
	<u>20,852</u>	<u>19,748</u>

4. RESEARCH GRANTS AND CONTRACTS

	Group	
	2004	2003
	£000	£000
Research councils	5,618	5,797
Charities	433	258
UK government	1,535	1,726
UK industry	3,895	3,628
EU Commission	1,832	1,503
Other sources	1,595	1,459
	<u>14,908</u>	<u>14,371</u>

5. OTHER INCOME

	Group	
	2004	2003
	£000	£000
Residences, catering and conferences	10,229	9,726
Other services rendered	3,051	3,422
Royalties	2,461	2,473
Donations	1,387	1,739
Other income	4,073	3,115
	<u>21,201</u>	<u>20,475</u>

6. ENDOWMENT AND INVESTMENT INCOME

	Group	
	2004	2003
	£000	£000
Income from specific endowment assets	240	218
Other investment income	1	10
Other interest receivable	320	199
	<u>561</u>	<u>427</u>

NOTES TO THE FINANCIAL STATEMENTS – continued**7. STAFF COSTS**

	Group	
	2004	2003
	£000	£000
Wages and salaries	42,852	41,440
Social security costs	3,528	3,263
Other pension costs	5,295	5,141
	<u>51,675</u>	<u>49,844</u>

The average monthly number of persons employed by the University during the year, expressed as full-time equivalents, was:

	Number	Number
Academic related	993	963
Technical	165	157
Secretarial	255	270
Other	274	312
	<u>1,687</u>	<u>1,702</u>

The number of staff who received emoluments in the following ranges was:

	2004	2003
	£000	£000
£50,001 - £60,000	54	38
£60,001 - £70,000	18	18
£70,001 - £80,000	9	8
£80,001 - £90,000	10	8
£90,001 - £100,000	3	1
£100,001 - £110,000	1	-
£110,001 - £120,000	-	1
£120,001 - £130,000	1	-
£150,001 - £160,000	1	1
	<u>97</u>	<u>75</u>

The above emoluments include amounts payable to the Principal and Vice Chancellor of:

	2004	2003
	£000	£000
Salary	160	163
Benefits in kind	<u>1</u>	<u>1</u>
	<u>161</u>	<u>164</u>
Pension contributions	22	22

Compensation for loss of office paid and payable to senior members of staff earning in excess of £50,000 per annum:

	2004	2003
	£000	£000
Payments to USS for enhanced pension benefits	-	96
Other payments in respect of loss of office	<u>-</u>	<u>14</u>
	<u>-</u>	<u>110</u>

NOTES TO THE FINANCIAL STATEMENTS – continued**8. OTHER OPERATING EXPENSES**

	Group	
	2004	2003
	£000	£000
Other operating expenses include:		
Auditors' remuneration - external audit	45	44
Auditors' remuneration - internal audit	40	37
Other services from either external or internal audit	31	46
Losses on disposal of tangible fixed assets	128	14
Hire of other assets - operating leases	544	532

9. INTEREST PAYABLE

	Group	
	2004	2003
	£000	£000
On bank loans, and other loans:		
Repayable within 5 years, by instalments	2	5
Repayable wholly or partly in more than 5 years	1,667	1,641
	<u>1,669</u>	<u>1,646</u>

NOTES TO THE FINANCIAL STATEMENTS – continued

10. ANALYSIS OF 2004 EXPENDITURE BY ACTIVITY

	Group				
	Staff		Other	Interest	
	Costs	Dep'n.	Operating	Payable	Total
	£000	£000	Expenses	£000	£000
			£000		
Academic departments	28,224	273	2,887	-	31,384
Academic services	2,515	32	1,989	-	4,536
General educational	513	-	3,406	-	3,919
Premises	2,643	2,128	3,960	-	8,731
Administration	5,586	541	2,544	-	8,671
Student facilities	1,147	23	1,142	-	2,312
Other expenses	6	14	208	1,669	1,897
Research grants and contracts	6,218	817	7,457	-	14,492
Residences, catering and conferences	3,491	861	4,088	-	8,440
Other services rendered	1,332	19	1,999	-	3,350
Equipment	-	-	1,911	-	1,911
Total per Income and Expenditure Account	<u>51,675</u>	<u>4,708</u>	<u>31,591</u>	<u>1,669</u>	<u>89,643</u>

Analysis of 2003 Expenditure By Activity

Academic departments	27,123	224	4,290	-	31,637
Academic services	2,543	43	1,182	-	3,768
General educational	439	-	3,784	-	4,223
Premises	2,954	58	3,633	-	6,645
Administration	5,288	458	2,003	-	7,749
Student facilities	1,075	18	322	-	1,415
Other expenses	10	1,571	28	1,646	3,255
Research grants and contracts	5,832	1,119	6,942	-	13,893
Residences, catering and conferences	2,928	1,645	4,032	-	8,605
Other services rendered	1,652	49	1,336	-	3,037
Equipment	-	-	2,248	-	2,248
Total per Income and Expenditure Account	<u>49,844</u>	<u>5,185</u>	<u>29,800</u>	<u>1,646</u>	<u>86,475</u>

NOTES TO THE FINANCIAL STATEMENTS – continued

11. TANGIBLE FIXED ASSETS

		Freehold Land and Buildings	Equipment	Total
		£000	£000	£000
Group				
Cost				
At 1 August 2003		112,783	16,864	129,647
Additions		8,868	1,986	10,854
Disposals		(104)	(517)	(621)
At 31 July 2004		<u>121,547</u>	<u>18,333</u>	<u>139,880</u>
Depreciation				
At 1 August 2003		26,893	12,849	39,742
Charge for year		2,878	1,830	4,708
Eliminated on disposals		(26)	(431)	(457)
At 31 July 2004		<u>29,745</u>	<u>14,248</u>	<u>43,993</u>
Net Book Value	At 31 July 2004	<u>91,802</u>	<u>4,085</u>	<u>95,887</u>
	At 1 August 2003	<u>85,890</u>	<u>4,015</u>	<u>89,905</u>
University				
Cost				
At 1 August 2003		105,195	16,175	121,370
Additions		4,417	1,886	6,303
Eliminated on disposals		(104)	(491)	(595)
At 31 July 2004		<u>109,508</u>	<u>17,570</u>	<u>127,078</u>
Depreciation				
At 1 August 2003		26,481	12,339	38,820
Charge for year		2,754	1,844	4,598
Eliminated on Disposals		(26)	(405)	(431)
At 31 July 2004		<u>29,209</u>	<u>13,778</u>	<u>42,987</u>
Net Book Value	At 31 July 2004	<u>80,299</u>	<u>3,792</u>	<u>84,091</u>
	At 1 August 2003	<u>78,714</u>	<u>3,836</u>	<u>82,550</u>

The net book value of the group's tangible fixed assets includes an amount of £69,046 (2003 - £nil) in respect of assets held under finance leases. The depreciation charge on these assets for the year was £nil (2003 - £nil).

The land and buildings of Heriot-Watt Sports Village Ltd are subject to a first standard security in respect of the grants received from Sportscotland.

NOTES TO THE FINANCIAL STATEMENTS – continued**12. INVESTMENTS**

	Group		University	
	2004	2003	2004	2003
	£000	£000	£000	£000
Investment in subsidiary companies at cost	-	-	105	131
Minority investments in unquoted companies	55	63	55	63
Works of art	60	60	60	60
	<u>115</u>	<u>123</u>	<u>220</u>	<u>254</u>

Minority investments in unquoted companies include investments made by the University in spin-out companies, which are stated at cost.

13. SUBSIDIARY UNDERTAKINGS

The University has major shareholdings in the following companies:

Edinburgh Business School (Limited by Guarantee)	100%
Edinburgh Conference Centre Limited	100%
* The Scottish Director Centre Limited (formerly Heriot-Watt Information Laboratory Limited)	100%
Heriot-Watt Properties Limited	100%
Heriot-Watt Trading Limited	100%
Heriot-Watt Sports Village Limited	100%
* Interactive University Press Limited (formerly Institute of Offshore Engineering Limited)	100%
* Scottish College of Textiles Limited (formerly HBJ 230 Limited)	100%
* SCOT Innovation and Development Limited	100%
** The Interactive University	50%
** SISTech Limited	50%

The consolidated financial statements of the University include the transactions of the above companies, with the exception of those marked with an asterisk.

* These companies are dormant.

** In the case of The Interactive University and SISTech Limited the figures are not consolidated because they are insignificant.

14. ENDOWMENT ASSETS

	Group		University	
	2004	2003	2004	2003
	£000	£000	£000	£000
Balance at 1 August 2003	5,350	4,962	4,020	3,728
Increase in cash balances held	71	226	69	173
Appreciation of endowment asset investments	193	162	121	119
Balance at 31 July 2004	<u>5,614</u>	<u>5,350</u>	<u>4,210</u>	<u>4,020</u>
Represented by:				
Equities (listed)	4,989	4,795	3,749	3,627
Cash balances	625	555	461	393
	<u>5,614</u>	<u>5,350</u>	<u>4,210</u>	<u>4,020</u>

NOTES TO THE FINANCIAL STATEMENTS – continued**15. DEBTORS**

	Group		University	
	2004	2003	2004	2003
	£000	£000	£000	£000
Trade debtors	2,317	2,620	1,464	1,721
Research debtors	5,129	3,702	5,129	3,702
Amounts owed by group undertakings	-	-	6,477	1,942
Prepayments and accrued income	1,813	1,895	1,100	1,118
	<u>9,259</u>	<u>8,217</u>	<u>14,170</u>	<u>8,483</u>

Included in amounts owed by group undertakings is £5,072,000 due by Heriot-Watt Sports Village Ltd to Heriot-Watt University that is due after more than one year.

16. INVESTMENTS AND SHORT-TERM DEPOSITS

	Group		University	
	2004	2003	2004	2003
	£000	£000	£000	£000
Investment in subsidiary companies at cost	-	-	4,006	4,135
Listed investments	243	-	-	-
Other investments	-	254	-	254
	<u>243</u>	<u>254</u>	<u>4,006</u>	<u>4,389</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		University	
	2004	2003	2004	2003
	£000	£000	£000	£000
Bank loans	667	633	667	633
Intra-group loans	-	-	-	3,000
Obligations under finance leases	15	-	-	-
Grants in advance for research	4,867	3,994	4,867	3,994
Grants in advance from SHEFC	510	794	510	794
Other creditors	25	-	-	-
Trade creditors	3,175	2,748	3,080	2,609
Amounts owed to group undertakings	-	-	-	773
Other taxation and social security	1,930	1,821	1,535	1,593
Accruals and deferred income	7,236	4,838	6,661	4,290
	<u>18,425</u>	<u>14,828</u>	<u>17,320</u>	<u>17,686</u>

NOTES TO THE FINANCIAL STATEMENTS – continued

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		University	
	2004	2003	2004	2003
	£000	£000	£000	£000
Bank loans	28,376	26,151	28,376	26,151
Loans from subsidiary companies	-	-	4,750	-
Obligations under finance leases	47	-	-	-
Deferred income	2,108	1,822	-	-
Other creditors	112	-	-	-
	<u>30,643</u>	<u>27,973</u>	<u>33,126</u>	<u>26,151</u>
The above loans are repayable as follows:				
In one year or less (note 17)	<u>667</u>	<u>633</u>	<u>667</u>	<u>633</u>
Between one and two years	670	636	670	636
Between two and five years	1,349	1,920	6,099	1,920
In five years or more	<u>26,357</u>	<u>23,595</u>	<u>26,357</u>	<u>23,595</u>
	<u>28,376</u>	<u>26,151</u>	<u>33,126</u>	<u>26,151</u>
	<u>29,043</u>	<u>26,784</u>	<u>33,793</u>	<u>26,784</u>

Bank loans comprise £18 million, repayable by instalments between 2008 and 2016, at rates of between 5.05% and 5.62% and £11 million, repayable by instalments between 2004 and 2020, at rates of between 4.87% and 5.60%

19. PROVISIONS FOR LIABILITIES AND CHARGES

	Group and University			
	Re-structuring	Pensions	Other	Total
	£000	£000	£000	£000
At 1 August 2003	369	983	6	1,358
Expenditure in the year	(369)	(155)	-	(524)
Transfers from / (to) the income and expenditure account	-	115	(6)	109
At 31 July 2004	<u>-</u>	<u>943</u>	<u>-</u>	<u>943</u>
To be spent before 31 July 2005	<u>-</u>	<u>155</u>	<u>-</u>	<u>155</u>

NOTES TO THE FINANCIAL STATEMENTS – continued**20. DEFERRED CAPITAL GRANTS**

	Funding Council £000	Other Grants and Benefactions £000	Total £000
Group			
At 1 August 2003			
Buildings	27,000	8,901	35,901
Equipment	1,918	838	2,756
Total	<u>28,918</u>	<u>9,739</u>	<u>38,657</u>
Cash Received			
Buildings	2,794	1,269	4,063
Equipment	530	210	740
Total	<u>3,324</u>	<u>1,479</u>	<u>4,803</u>
Released to Income and Expenditure			
Buildings	(1,524)	(203)	(1,727)
Equipment	(463)	(14)	(477)
Total	<u>(1,987)</u>	<u>(217)</u>	<u>(2,204)</u>
At 31 July 2004			
Buildings	28,270	9,967	38,237
Equipment	1,985	1,034	3,019
Total	<u>30,255</u>	<u>11,001</u>	<u>41,256</u>
University			
At 1 August 2003			
Buildings	27,000	8,901	35,901
Equipment	1,918	838	2,756
Total	<u>28,918</u>	<u>9,739</u>	<u>38,657</u>
Cash Received			
Buildings	2,729	39	2,768
Equipment	530	5	535
Total	<u>3,259</u>	<u>44</u>	<u>3,303</u>
Released to Income and Expenditure			
Buildings	(1,524)	(201)	(1,725)
Equipment	(463)	(13)	(476)
Total	<u>(1,987)</u>	<u>(214)</u>	<u>(2,201)</u>
At 31 July 2004			
Buildings	28,205	8,739	36,944
Equipment	1,985	830	2,815
Total	<u>30,190</u>	<u>9,569</u>	<u>39,759</u>

NOTES TO THE FINANCIAL STATEMENTS – continued**21. ENDOWMENTS**

	Group		University	
	Specific	Specific	Specific	Specific
	2004	2003	2004	2003
	£000	£000	£000	£000
At 1 August 2003	5,350	4,962	4,020	3,728
Additions	162	212	162	159
Appreciation of endowment asset investments	193	162	121	119
Income for year	240	232	174	169
Expenditure for the year	(331)	(218)	(267)	(155)
At 31 July 2004	<u>5,614</u>	<u>5,350</u>	<u>4,210</u>	<u>4,020</u>
Representing:				
Fellowship and scholarship funds	1,972	1,853	1,801	1,691
Prize funds	541	518	541	518
Chairs and lectureship funds	2,166	2,075	933	907
Other funds	935	904	935	904
	<u>5,614</u>	<u>5,350</u>	<u>4,210</u>	<u>4,020</u>

22. GENERAL RESERVE

	Group		University	
	2004	2003	2004	2003
	£000	£000	£000	£000
Balance at 1 August 2003	21,691	20,892	14,834	14,596
Net surplus retained for the year	1,300	799	1,872	238
Balance at 31 July 2004	<u>22,991</u>	<u>21,691</u>	<u>16,706</u>	<u>14,834</u>

23. RECONCILIATION OF OPERATING RESULT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Group	
	2004	2003
	£000	£000
Surplus on continuing operations after disposal of assets and before taxation	1,209	799
Depreciation	4,708	5,185
Loss on disposal of tangible fixed assets	164	-
Deferred capital grants released to income	(2,204)	(2,459)
Interest receivable	(321)	(209)
Endowment income	(240)	(218)
Interest payable	1,669	1,646
Decrease in stocks	45	149
(Increase) in debtors	(1,042)	(822)
Decrease in current asset investments	11	20
Increase in creditors	3,843	1,104
Decrease in provisions	(415)	(1,389)
Net Cash Inflow from Operating Activities	<u>7,427</u>	<u>3,806</u>

NOTES TO THE FINANCIAL STATEMENTS – continued**24. RETURNS ON INVESTMENT AND SERVICING OF FINANCE**

	Group	
	2004	2003
	£000	£000
Income from endowments	240	232
Interest received	320	199
Other investment income	1	10
Interest paid	(1,566)	(1,646)
Net Cash (Outflow) from Returns on Investment and Servicing of Finance	<u>(1,005)</u>	<u>(1,205)</u>

25. CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	Group	
	2004	2003
	£000	£000
Purchase of tangible fixed assets	(10,854)	(7,757)
Proceeds on disposal of tangible fixed assets	-	14
Fixed asset investments disposed	8	50
Payments to acquire endowment assets	(71)	(226)
Deferred capital grants received	4,803	3,140
Endowments received	162	212
Net Cash (Outflow) from Capital Expenditure and Financial Investment	<u>(5,952)</u>	<u>(4,567)</u>

26. MANAGEMENT OF LIQUID RESOURCES

	Group	
	2004	2003
	£000	£000
Decrease in short-term deposits	-	5,607
Net Cash Outflow from Management of Liquid Resources	<u>-</u>	<u>5,607</u>

27. FINANCING

	Group	
	2004	2003
	£000	£000
New bank loans	3,000	-
Repayment of amounts borrowed	(741)	(378)
Capital element of finance lease rental payments	62	-
Net Cash Inflow/(Outflow) from Financing	<u>2,321</u>	<u>(378)</u>

NOTES TO THE FINANCIAL STATEMENTS – continued

28. ANALYSIS OF CHANGES IN NET DEBT

	At 1 August 2003	Cash Flows	Other Changes	At 31 July 2004
	£000	£000	£000	£000
Cash at bank and in hand	5,910	2,791	-	8,701
	5,910	2,791	-	8,701
Debt due within one year	(633)	741	(775)	(667)
Debt due after one year	(26,151)	(3,000)	775	(28,376)
Finance leases	-	(62)	-	(62)
	(20,874)	470	-	(20,404)

Had the cash held under endowment asset investments been included above, the net cash inflow would have been £540,000 with net debt at 31 July 2004 of £19,779,000 as compared with £20,319,000 as at 31 July 2003. However, to reflect more accurately the restricted nature of the cash held for endowments the University considers the exclusion of this cash from the above figures gives a fairer view of the University's net debt.

29. PENSION SCHEMES

The University's employees belong to two principal pension schemes, the Universities Superannuation Scheme (USS) and the Lothian Pension Fund (LPF). The total pension cost for the year was £5,295,000 (2003 - £5,141,000).

Universities Superannuation Scheme

The USS is a funded defined benefit scheme with the assets held in separate trustee administered funds. The scheme is contracted out of the State Earnings-Related Pension scheme. The total contribution made for the year ended 31 July 2004 was £5,698,000, of which employer's contributions totalled £3,818,000 and employee's contributions totalled £1,880,000. The agreed contribution rates for future years are 14% for employers and 6.35% for employees.

It is valued once every three years by actuaries using the aggregate method, with the rates of contribution payable being determined by the trustees on the advice of the actuaries. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

Latest actuarial valuation	31 March 2002
Actuarial method	Aggregate
Investment returns per annum	6.0% per annum
Pension increases per annum	2.7% per annum
Salary scale increases per annum	3.7% per annum
Market value of assets at date of last valuation	£19,938 million
Proportion of members' accrued benefits covered by the actuarial value of the assets	101%

Under the definitions set out in Financial Reporting Standard 17 'Retirement Benefits', the USS is a multi-employer pension scheme. The University is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the University has accounted for its contributions as if it were a defined contribution scheme.

NOTES TO THE FINANCIAL STATEMENTS – continued**Lothian Pension Fund**

The LPF is a funded defined benefit scheme with the assets held in separate trustee administered funds. The scheme is contracted out of the State Earnings-Related Pension scheme. The total contribution made for the year ended 31 July 2004 was £1,904,000, of which employer's contributions totalled £1,408,000 and employee's contributions totalled £496,000. The agreed contribution rates for future years are 19% for employers and 5-6% for employees.

It is valued once every three years by actuaries using the aggregate method, with the rates of contribution payable being determined by the trustees on the advice of the actuaries. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

Latest actuarial valuation	31 March 2002
Actuarial method	Aggregate
Investment returns per annum	6.2% per annum
Pension increases per annum	2.6% per annum
Salary scale increases per annum	4.1% per annum
Market value of assets at date of last valuation	£1,784 million
Proportion of members' accrued benefits covered by the actuarial value of the assets	96%

Under the definitions set out in Financial Reporting Standard 17 'Retirement Benefits', the LPF is a multi-employer pension scheme. The University is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the University has accounted for its contributions as if it were a defined contribution scheme.

30. POST BALANCE SHEET EVENTS

There are no material post Balance Sheet events.

31. CAPITAL COMMITMENTS

	Group	
	2004	2003
	£000	£000
Commitments contracted at 31 July 2004	1,406	5,007
Authorised but not contracted at 31 July 2004	690	6,097
	<u>2,096</u>	<u>11,104</u>

NOTES TO THE FINANCIAL STATEMENTS – continued**32. FINANCIAL COMMITMENTS**

At 31 July 2004 there were annual commitments under non-cancellable operating leases as follows:

	Group	
	2003	2003
	£000	£000
Other:		
Expiring within one year	2	-
Expiring between two to five years inclusive	567	537
Expiring in over five years	-	3
	<u>569</u>	<u>540</u>

33. CONTINGENT LIABILITY

There are no material contingent liabilities.

34. RELATED PARTY TRANSACTIONS

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

The Interactive University is the global publishing and distribution company for the Scottish post compulsory education sector. It provides learning, technology and business services to enable Scottish educational institutions to deliver high quality educational programmes throughout the world.

Total sales to and purchases from Interactive University during the year were £1,083,000 and £297,000 respectively. At 31 July 2004 trade debtors included £424,000 due by Interactive University to the Heriot-Watt University, the benefit of which will be recognised in the next financial year.

35. ACCESS FUNDS

	Group		
	Mature Student Bursary	Hardship	Total
	£000	£000	£000
At 1 August 2003	70	500	570
Funding Council grants	98	424	522
Disbursed to students	(56)	(374)	(430)
Balance unspent at 31 July 2004	<u>112</u>	<u>550</u>	<u>662</u>
Repayable to funding body	<u>103</u>	<u>462</u>	<u>565</u>

Funding council grants are available solely for students; the University acts only as a paying agent. The grants and related disbursements are therefore excluded from the Income and Expenditure Account.

MEMBERS OF COURT as at 13 December 2004

<i>Chancellor</i>	The Rt Hon The Lord Mackay of Clashfern ¹	KT, PC, MA, LLD, DUniv, HonFRCSE, HonFICE, FRSE
<i>Chairman of Court</i>	Gavin J N Gemmell ¹	CBE, CA
<i>Principal & Vice-Chancellor</i>	Professor John S Archer	CBE, FREng, FRSE, FCGI, BSc, PhD, DIC, MSPWE, FlntSE, FIMM, FlntPet, FRSA, FICHEM
<i>Vice-Principal</i>	Professor John E L Simmons	BSc, PhD, CEng, FIMechE, FIEE, FRSE
<i>City of Edinburgh</i>	Councillor Andrew Scobbie ¹	BA, ALA
<i>Convocation</i>	Judith McClure ¹ David Guest ¹ Roy Jobson ² The Hon Lord Johnston ¹	CBE, MA, DPhil, FRSA, FSA BSc, MSc, CEng, MIEE BA, LLB, QC
<i>Senate</i>	Professor Brian Austin Michael Breaks ³ Professor Bob Craik Professor J Chris Eilbeck Professor Paul Hare ³ Professor Jim Howie Professor Paul W Jowitt ² Professor John A Swaffield ²	BSc, PhD, DSc MA DipLib BSc, MSc, PhD, CEng, MIOA, MCIBSE BA, PhD, FIMA, FRSE BA BPhil DPhil BSc, PhD, FRSE BSc, PhD, DIC, ACGI, CEng, MICE BSc, MPhil, PhD, CEng, MRAeS
<i>Staff</i>	Dr Stan Zachary Dr Doug Clark James Dignan ² Dr John A Steel James Maguire June Maxwell ³	PhD BSc, PhD BSc, MSc, PhD, CEng, MIOA
<i>Graduates</i>	David A Brew ¹ Yvonne Savage ¹ Moyra Kedsle ¹	BA, MSc BA BA, PhD, FCCA, FRSA
<i>Students Association</i>	Kate Lavery ² Graham Brown ² James Alexander ³ Stephen Findlay ³	BSc
<i>Co-opted</i>	Graeme Bissett ¹ Janet Lowe ¹ Andrew Muirhead ¹ Ray Perman ¹ Tony B Taylor ^{1, 2} Ed Weeple ^{1, 3} David E Woods ¹	BA, CA CBE, BA, MBA, MIPD FCIBS, MBA BA, MBA CTextATI MA CB MA MSc FIA

¹ Lay Member of Court² Member until 31st July 2004³ Member from 1st August 2004

MEMBERSHIP OF COMMITTEES OF COURT as at 13 December 2004

AUDIT COMMITTEE

Mr D E Woods (Convenor) *[from 1st August 2004]*
 Mr D A Brew
 Mr J E Chambers
 Ms P Henton
 Ms J Lowe
 Ms Y Savage
 Mr A B Taylor (Convenor) *[until 31st July 2004]*

FINANCE COMMITTEE

Mr G Bissett (Convenor)
 Professor J S Archer
 Mr G J N Gemmell
 Mr R Perman
 Professor J E L Simmons
 Professor A C Todd
 Professor A C Walker
 Mr D E Woods *[until 31st July 2004]*

NOMINATING COMMITTEE

Mr G J N Gemmell (Convenor)
 Professor J S Archer
 Mr G Bissett
 Professor P W Jowitt *[until 31st July 2004]*
 Mr A Muirhead
 Professor J E L Simmons
 Vacancy

ESTATE STRATEGY COMMITTEE

Mr P Gregory (Convenor) *[until 31st July 2004]*
 Mr D Guest (Convenor) *[from 1st August 2004]*
 Mr J Alexander
 Professor J S Archer
 Mr R Durie
 Mr G J N Gemmell
 Mr J Maguire
 Professor J E L Simmons
 Professor J A Swaffield *[until 31st July 2004]*
 Professor A C Walker
 Professor J I B Wilson

STAFFING STRATEGY COMMITTEE

The Hon Lord Johnston (Convenor)
 Professor J S Archer
 Mr M L Breaks
 Ms J Cawdery
 Mrs S G Charlesworth *[until 31st July 2004]*
 Mr G J N Gemmell
 Dr M J M Kedslie
 Professor M Lang
 Professor G H O Palmer
 Mr B Stewart
 Professor G G Stewart

REMUNERATION COMMITTEE

Mr G J N Gemmell (Convenor)
 Mr G Bissett
 The Hon Lord Johnston

