

Financial Statements

for the year ended 31 July 2008

QUEEN MARY AND WESTFIELD COLLEGE (University of London)

In 2001, the College adopted a shortened version of its name, Queen Mary, University of London, but the legal title of the College remains unchanged.

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REPORT OF THE ACTING PRINCIPAL

The year covered by these financial statements marks a further period of carefully-planned growth for Queen Mary, University of London. The last decade has seen the College expand its activities very substantially and consolidate its reputation for excellence in teaching and research. The College was led during this period by Professor Adrian Smith FRS who resigned his post of Principal in August 2008 in order to take up the post of Director General (Science and Research) and Chief Scientific Advisor to the Department for Innovation, Universities and Skills.

The College plays a full part in the federal University of London to which it contributes and from which it draws considerable benefits. The College has also continued to build on its activities internationally – performing well in a range of overseas student markets and also developing a strong presence in Beijing. The College has invested heavily in its estate and facilities and 2007/8 saw a number of projects reaching completion and others taking shape. The increase in income of some 16 per cent during the year reflects success in securing additional funding from the Higher Education Funding Council for England (HEFCE) for research and teaching and from other sources, for example research grants and overseas student fees.

Research

The College is strongly research-led and 2007/8 saw an excellent performance in research grant income from UK Research Councils and charities and other funding bodies. Growth was particularly notable in the School of Medicine and Dentistry. Further investment was made by the College in research-active academic staff and postgraduate support in the run-up to the College's submission to the 2008 Research Assessment Exercise. The number of staff submitted was considerably increased compared to the 2001 Exercise, especially in the Humanities, Social Sciences, Sciences and Engineering. This reflects a planned investment following the College's strong showing in many units of assessment in 2001 and its ability to attract staff of the highest quality across the disciplines.

Teaching and Learning

The year saw the completion of a period of expansion of the undergraduate student population through Additional Student Numbers from the Funding Council. The student population overall has increased from around 10,000 in 2004 to over 14,000 in 2008. The College continued to perform well in both national and international recruitment. There is, however, a continuing process of reviewing student programmes to ensure that we remain competitive and that we continue to improve both the quality of students and the proportion following postgraduate programmes of study. At the same time, the College has met, and remains committed to, its targets for widening participation.

The new Student Support Strategy was also published in 2007, giving overall guidance to staff and students about the ways in which the teaching and learning experience can be further enhanced, particularly following a period of major expansion. The National Student Survey has proved useful in highlighting areas of good practice and areas where improvements need to be made.

Estates and Facilities

The College published its Estates Strategy for the period up to 2015 in summer 2007. The year under review saw substantial progress in new-build and refurbishment projects on the College's three principal campuses in Mile End, Whitechapel and Charterhouse Square. For example, the new £6 million Health and Fitness Centre for students and staff opened during the summer 2008; detailed design was completed and contractors appointed for the new £20 million academic building at Mile End; and considerable progress made in refurbishing some of our buildings from the 1960s and 1970s. For research, a funding package was agreed for our new Heart Centre for cardiac research in Charterhouse Square, with substantial assistance from the St Bartholomew's Hospital Medical College Trust; and construction of the Bio-sciences Innovation Centre at Whitechapel began on site.

The College was also pleased to receive very substantial capital funding of £35 million for both teaching (£12 million) and research (£23 million) from the Funding Council. These monies must be spent by Spring 2011 and the College reached ready agreement on the distribution within the institution. The intention is to add at least a further £15 million from the College's own resources. As well as investment in research equipment and laboratories, priorities include Library and IT services; further improvements in lecture theatres and other teaching spaces; and further phased improvements in some of the older buildings which need substantial investment in their infrastructure.

Partnerships International and Local

The College has extensive international research partnerships for collaborative research, which have helped to underpin the growth in research grant income and assist in the dissemination and application of research findings. Third-stream activities have benefited from the establishment of Queen Mary Innovation Limited which oversees our Higher Education Innovation Fund (HEIF) monies and also our subsidiary and associated companies.

The programme of Visiting Distinguished Fellows, accommodated in the Westfield Student Village on the Mile End Campus, has continued to bring a number of scholars to the College community. In terms of teaching, our collaboration with the Beijing University of Posts and Telecommunications has continued to go from strength to strength, with almost 1300 students enrolled in programmes in Beijing.

REPORT OF THE ACTING PRINCIPAL continued

The College also plays a full part in the rapidly evolving higher education scene in London, with particular interest in consolidating links with fellow Colleges in the federal University of London and partnerships with other organisations in the Thames Gateway, not least in the context of medical education and the opportunities provided by the Olympic Games 2012.

Honours and Awards

The College's successes in research and teaching were recognised externally by a number of honours and awards to staff, with two awards in the Queen's Birthday Honours (including a knighthood for Professor Nicholas Wald in the School of Medicine and Dentistry), two new Fellows of the British Academy (bringing the College total to twelve), three new Fellows of the Academy of Medical Sciences, two National Teaching Fellows and a range of other prizes and awards.

The College itself was also able to honour a number of distinguished scholars and public figures. At the summer degree ceremonies in 2008, Honorary Degrees were bestowed on Professor Marilyn Butler, Professor Julia King, Sir Richard MacCormack and Professor Pierre Rosanvallon; and Honorary Fellowships of the College on Will Alsop, Dr Muhammad Abdul Bari, Professor Mary Cooke, Dr Dennis Gillings, Lord Hattersley, Baroness Murphy, the Rt Honourable Sir Bernard Rix and the Rt Honourable Baroness Shephard.

These awards and distinctions for our own staff, and the awards we were ourselves able to bestow on others, brought to an end a further successful year in the College.

Professor Philip E Ogden
Acting Principal
November 2008

FINANCIAL AND OPERATING REVIEW

Scope of the Financial Statements

These are the consolidated statutory accounts of Queen Mary and Westfield College, University of London and its subsidiaries for the year ended 31 July 2008. Details of the group are listed within note 12.

Financial Highlights

In accordance with the budget set by Council, the College achieved a surplus of £2.3m. The surplus was made after significant investment in new academic staff in advance of the 2008 Research Assessment Exercise. This is consistent with College's aim to produce research of the highest quality which places it in the top rank of universities.

	Increase/(decrease) %	Year to 31 July 2008 £000	Year to 31 July 2007 £000 Restated *
Income	16%	247,863	214,321
Surplus		2,339	435
Capital expenditure	(14%)	31,672	36,642
Operating cash inflow	34%	18,569	13,816
Net assets	3%	265,226	256,476

Consolidated Income & Expenditure

Total income increased by 16% over the year, driven by an 18% increase in tuition fee income and an increase in funding body grants of 9%.

The increase in funding body grants is indicative of the College's success in generating greater research activity and in recruiting to an expanded number of HEFCE funded student places.

Fees from home and EU students increased by 34% resulting from an increase in the number of students, and the second undergraduate cohort paying the new variable tuition fees (£3,000 in 2006/07 and £3,075 in 2007/08 compared with £1,200 previously). At the same time, expenditure on bursaries for undergraduates increased by £1.4 million. The increase in tuition fees did not have any negative effect on student recruitment. Income from full time students paying overseas fees increased by over 9%.

Income from research grants and contracts increased by 19% to £61.3 million. While this demonstrates a welcome increase in research activity, it is worth noting that expenditure on research grants and contracts rose by a similar amount. Therefore, the contribution to the costs of overheads remained at a similar level to the previous year.

While total income has grown at a rate well above inflation, this has coincided with a significant increase in expenditure of £31m. Staff costs increased by nearly 12% as the volume of teaching and research activity grew over the year and the College implemented the national 'Framework Agreement' on pay. On average, 57 more academic staff and 54 more professional support staff in central and academic departments were employed in 2007/08 in comparison with 2006/07. This reflects both investment in advance of the 2008 Research Assessment Exercise and additional teaching and support services associated with the increases in student numbers that are described later in this review. With effect from 1 January 2008, many externally contracted cleaning and security services were brought in house. This change was motivated in part by the College's objective to ensure that those working on its campuses are not paid less than the London Living Wage. Other operational expenditure also increased due to greater research grant and contract activity and the additional bursaries referred to above.

The financial statements have been adjusted in the prior year to reflect full implementation of the SORP Accounting for Further & Higher Education 2007 and also a restatement in respect of finance leases that funded plant, fittings and equipment in the Student Village and Blizard medical research building. Further detail is disclosed in note 33.

Capital Investment

Total capital expenditure of £31.7m (£36.6m in 06/07) was funded by £17.3m from external capital grants; the College funded £14.4m from its own resources. The majority of expenditure represented investment in the College's research and teaching infrastructure with partial funding from the Science Research Investment Fund and HEFCE Project Capital funding. However, the College also made a significant investment in the new health and fitness centre and refurbished Draper's Bar in the Students' Union at Mile End.

Cash and Debt

Cash inflow from operating activities was £18.6m (£13.8m in 06/07). Cash balances and short-term deposits ended the year at £38.9m (£19.4m in 06/07). Total long term capital financing for the College and its subsidiaries stood at £79m at 31 July 2008. £35.1m has been drawn from the College's £60m long term loan facility with Lloyds TSB. £30m of this borrowing is hedged by interest rate swaps, providing protection against any adverse movements on interest rates. A forward starting swap for £12m is in place to provide similar cost certainty with regard to subsequent draw downs against the loan facility. The College also has £26.6m of finance leases with Lloyds TSB in respect of plant, machinery, fittings and equipment at the Blizard medical research building and the Student Village at Mile End. QM BioEnterprises Limited has a £13.3m loan with Barclays that is funding the construction of the Innovation Centre at Whitechapel. This loan is guaranteed by the College.

FINANCIAL AND OPERATING REVIEW continued

Treasury Management and Investments

As at 31 July 2008 and after reclassification in accordance with the 2007 SORP, endowment investments stood at £32.2m. This compares with a restated balance as at 31 July 2007 of £34.5m. While the value of the College's investments fell less than the respective benchmarks, there was a reduction in value of £3.4m compared with a gain of £2.1m in the previous year. £2m of new endowments were received while expenditure exceeded income by £1m. Much of the expenditure was from expendable endowments relating to premises costs at the new location for the Centre for Commercial Law Studies in Lincoln's Inn Fields. Endowment assets are managed by Newton Investment Management Limited which was appointed in December 2001.

Following the reclassification of endowments in accordance with the 2007 SORP, the College also has £2.2m of investment funds similarly managed by Newton.

The College's investment of working cash balances is monitored by Investment Committee. There is a short list of permitted organisations for College deposits all of which are required to have good credit worthiness as rated by international agencies. This has ensured that the College did not have funds deposited in banks that were struggling during recent financial instability.

Pension Funds

College staff belong to the Universities Superannuation Scheme (USS), the Superannuation Arrangements of the University of London (SAUL) scheme or the NHS public service scheme. All of these are pooled schemes so it is not possible to identify the share of assets and liabilities that relate to the College. Therefore, the financial positions of these schemes are not shown in the balance sheet. Concern remains, however, with the funding position of both USS and SAUL that will have been exacerbated by recent falls in the stock market. The impending announcement of the triennial reviews undertaken by both schemes is anticipated to seek further contributions from its members, both employers and employees.

Staff

The College interacts with its staff at open meetings and other forums at which the key issues facing the Institution are discussed. The Education and Staff Development section works to maximise support and career development opportunities for all staff. Having introduced a single pay spine in 2005/06, substantial progress was made towards:-

- implementing job evaluation across the College
- harmonising terms and conditions for all staff; and
- offering a minimum of the London Living Wage.

Student Numbers

The number of full time equivalent students enrolled during the year increased from 12,643 in 2006/07 to 14,327 in 2007/08. Of these, 1,290 were based in China studying flagship joint degree programmes in collaboration with the Beijing University of Post and Telecommunications. Overall, this expansion of student numbers continues our above average growth pattern that started in 2002.

Future Outlook

The third cohort of undergraduates who will pay variable tuition fees entered the College in September 2008. This and the fact that, despite ever more competitive market conditions, overseas student recruitment in October 2008 is consistent with earlier years, should see the College achieve its budgeted surplus of £2.2million.

Currently under construction on the Mile End campus is the new humanities building providing additional capacity to accommodate growth. Major refurbishments are being made to the School of Engineering and Materials Science and the Physics buildings. The large health and fitness centre and refurbished student bar at Mile End was opened in September 2008. The College is continuing to support the construction of a new Innovation Centre at Whitechapel that will provide both incubation space and business support to emerging and developing science firms. The new building will also provide much needed space for the School of Medicine and Dentistry.

The College is developing a new investment led financial strategy which will be targeting substantial improvements in student facilities and in research activity. This complements the College's Student Support Strategy that is being pursued vigorously to improve the experience of those choosing to study at Queen Mary.

Auditors

Following the completion of a competitive tendering exercise, PricewaterhouseCoopers LLP were appointed as auditors for 2007/08. A resolution for the appointment of auditors of the College for 2008/09 will be proposed to Council.

STATEMENT OF CORPORATE GOVERNANCE AND RESPONSIBILITIES OF COUNCIL

The College endeavours to conduct its business in accordance with the seven principles identified by the Committee on Standards in Public Life.

Constitution and Governing Body

The College is formed by a Charter of Incorporation. Its structure of governance is laid down in the instruments of its incorporation, namely the Charter and Statutes of the College as interpreted by the Ordinances of the College. The Charter and Statutes can only be amended by the Privy Council. The Ordinances may be amended by the College Council. The Charter establishes the College's Council and an Academic Board, each with clearly defined functions and responsibilities, to oversee and manage its activities.

The Council is the executive governing body, responsible for the finance, property and staffing of the College. It is specifically required to determine the educational character and mission of the College and to set its general strategic direction.

The Council has a majority of external members, chosen in line with criteria contained in the Statutes. These provide for some of the external members to be nominated by specified external bodies (such as the Westfield Trust), and for ten external members to be co-opted by the Council itself. The Council has established a Nominations Committee, with a majority of external members, to recommend such co-options.

The Chairman of the Council and Treasurer are required to be elected from among the external members of Council. There is also provision for the election of members of the academic staff, and representatives of other staff groups, to Council and for two student representatives. Council members do not receive remuneration for the role.

The Council of the College conducted a review of its effectiveness during 2005/06. The working party set up to review this effectiveness concluded that Council was properly fulfilling its statutory duties with regard to corporate governance and oversight of the strategic development of the College; it also concluded that there were certain subsidiary functions appropriate to governing bodies that Council could fulfil more effectively if it had increased support from its committee structure. As a result, two Council committees, the Chairman's Committee and the Student Affairs Committee were established, while the terms of reference of other Council committees were reviewed and in some instances modified.

Subject to the overall responsibility of the Council, the Academic Board has oversight of the academic affairs of the College and draws its membership entirely from the staff and students of the College, with a majority of academic staff members. It is particularly concerned with issues relating to academic policy, and the teaching and research work of the College and the academic standards of awards.

The Role of the Principal

The Principal, as chief executive officer, is the head of the College. He/she has a general responsibility to the Council for the organisation, direction and management of the College. Under the terms of the formal Financial Memorandum between the College and the Higher Education Funding Council for England (HEFCE), the Principal is the designated officer of the College and in that capacity can be summoned to appear before the Public Accounts Committee of the House of Commons.

As chief executive, the Principal exercises considerable influence upon the development of College strategy, the identification and planning of new developments and the shaping of the College ethos. Members of the senior executive, currently the Principal, the Senior Vice-Principal, the Warden, the four Vice-Principals, the Chief Administrative Officer, the Director of Corporate Affairs, and the Secretary to Council, all contribute in various ways to this aspect of the work but the ultimate responsibility to the Council rests with the Principal.

College Committees

Although the Council meets five times in each academic year, much of its detailed work is handled initially by committees, in particular the Finance, Staff Policy and Audit and Compliance Committees. Academic Board has a number of sub-committees through which it is able to discharge its full scope of responsibility using delegated authority. The membership and terms of reference of committees are approved by Council. The Nominations Committee is responsible for recommending appointments to the Council and takes oversight of the membership of committees.

The Audit and Compliance Committee meets at least four times a year. It is responsible for the internal audit process and considers reports and recommendations for the improvement of the College's systems of internal control and risk management. It also receives reports from the external auditors on the results of their work and reviews the annual financial statements on behalf of the Council.

The decisions of all of these committees are reported formally to the Council.

Responsibilities of the Council

The College maintains a Register of Interests of members of the Council and of members of the senior executive which is published on the Council web pages.

In accordance with the Statutes of the College the Secretary to Council provides independent advice on matters of governance to all Council members.

In accordance with the College's Charter of Incorporation, the Council is responsible for the administration and management of the affairs of the College. This responsibility includes ensuring an effective system of internal control, in line with the Governance Code of Practice set out in the Committee of University Chairs (CUC) Guide for Members of Governing Bodies of Universities and Colleges in the UK.

STATEMENT OF CORPORATE GOVERNANCE AND RESPONSIBILITIES OF COUNCIL continued

The Council is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the College and enable it to ensure that the financial statements are prepared in accordance with the College's Charter of Incorporation, the Statement of Recommended Practice on Accounting in Higher Education Institutions and other relevant accounting standards. In addition, within the terms and conditions of a Financial Memorandum agreed between HEFCE and the Council of the College, the Council, through its designated office holder, the Principal, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the College and of the surplus or deficit and cash flows for that year.

In causing the financial statements to be prepared, the Council has ensured that the College has in place Financial Regulations and structures that, in turn, ensure that:

- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- financial statements are prepared on the going concern basis unless it is inappropriate to presume that the College will continue in operation. The Council is satisfied that it has adequate resources to continue in operation for the foreseeable future; for this reason the going concern basis continues to be adopted in the preparation of the financial statements.

The Council, through its designated officer, the Principal, has taken reasonable steps to:

- ensure that funds from HEFCE are used only for the purposes for which they have been given and in accordance with the Financial Memorandum with the Funding Council and any other conditions which HEFCE may from time to time prescribe;
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- safeguard the assets of the College and prevent and detect fraud;
- secure the economical, efficient and effective management of the College's resources and expenditure.

The key elements of the College's system of internal financial control, which is designed to discharge the responsibilities set out above, include the following:

- comprehensive Financial Regulations, detailing financial controls and procedures, approved by the Audit and Compliance Committee and Council;
- clear definition of the responsibilities of, and the authority delegated to, heads of academic and administrative departments;
- clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the Council;
- internal audit carried out by an external firm of auditors. The programme is approved by the Audit and Compliance Committee.
- regular reviews of academic performance and monthly reviews of financial results involving variance reporting and updates of forecast out-turn.

Internal Controls

The Council has established processes to comply with the revised direction from HEFCE for the identification, evaluation and management of risks the College faces. These processes have been in place throughout the year under review and to the date of approval of the annual report and financial statements. The following is a statement of the College's internal control and risk management policy:

- As the governing body of the College, the Council has responsibility for maintaining an effective system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which the Council is responsible, in accordance with the responsibilities assigned to the Council in the Charter and the Financial Memorandum with HEFCE.
- The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.
- The system of internal control is based on a continuing process designed to identify the principal risks to the achievement of policies, aims and objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically.
- The Council receives periodic reports from the Chairman of the Audit and Compliance Committee concerning internal control. The appropriate committees of the Council receive reports from senior executives on the steps the College is taking to manage risks in their areas of responsibility, including progress reports on key projects.
- During the year under review the College has:
 - a. ensured that the risk monitoring and diagnostic mechanisms are properly integrated, with the review of a Major Risks Register;
 - b. extended the programme of risk awareness training.
- The institution procures its internal audit service from Deloitte & Touche Limited, which operates to standards defined in the revised HEFCE Audit Code of Practice.

The work of the internal audit service is informed by an analysis of risks to which the College is exposed, and annual internal audit plans are based on this analysis. The Council endorses the analysis of risks and the internal audit plans on the recommendations of the Audit and Compliance Committee. At least annually the head of internal audit provides the Audit and Compliance Committee with a report on internal audit activity in the College. The report includes the head of internal audit's independent opinion on the adequacy and effectiveness of the College's system of internal control, including internal financial control.

- The Council's review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the institution who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter and other reports.

Audit and Compliance Committee follows a programme reviewing compliance risks by way of receiving reports from each of the committees responsible for those risks.

REPORT OF THE INDEPENDENT AUDITORS, PricewaterhouseCoopers LLP, TO THE COUNCIL OF QUEEN MARY AND WESTFIELD COLLEGE

We have audited the financial statements of Queen Mary and Westfield College, University of London for the year ended 31 July 2008 which comprise the Consolidated Income and Expenditure Account, the Group and University Balance Sheets, the Consolidated Cash Flow Statement, the Consolidated Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of the Council and auditors

The Council's responsibilities for preparing the financial statements in accordance with the Accounts Direction issued by the Higher Education Funding Council for England (HEFCE), the Statement of Recommended Practice – Accounting for Further and Higher Education, applicable United Kingdom Law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of the Council's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements, and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Council of the institution in accordance with the Charters and Statutes of the institution. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

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 report to you whether in our opinion, income from funding bodies, grants and income for specific purposes and from other restricted funds administered by the institution, have been properly applied in all material respects for the purposes for which they were received, and whether income has been applied in all material respects in accordance with the institution's statutes and where appropriate with the financial memorandum with the HEFCE. We also report to you if, in our opinion, the institution has not kept proper accounting records, the accounting records do not agree with the financial statements, or if we have not received all the information and explanations we require for our audit.

We read the other information contained in the financial statements and consider the implications for our report if we become aware of any apparent misstatements within it. The other information comprises only the Acting Principal's Report, Operating and Financial Review and the Corporate Governance Statement.

We also review the statement of internal control, included as part of the Corporate Governance Statement, and comment if the statement is inconsistent with our knowledge of the institution and group. We are not required to consider whether the statement of internal control covers all risks and controls, or to form an opinion on the effectiveness of the group's corporate governance procedures or its risk and control procedures. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

The maintenance and integrity of the Queen Mary and Westfield College, University of London website is the responsibility of the Council; 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 website.

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

Basis of audit opinion

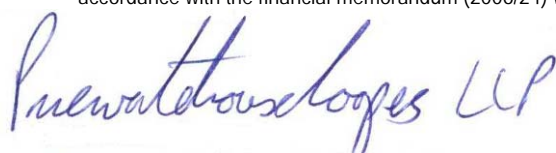
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board and with the HEFCE Code of Practice. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the governing body 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:

- i. the financial statements give a true and fair view of the state of affairs of the institution and the group at 31 July 2008, and of the surplus of income over expenditure, recognised gains and losses and cash flows for the year then ended;
- ii. the financial statements have been properly prepared in accordance with the Statement of Recommended Practice - Accounting for Further and Higher Education, and United Kingdom Generally Accepted Accounting Practice;
- iii. in all material respects, income from HEFCE, grants and income for specific purposes and from other restricted funds administered by the institution have been applied only for the purposes for which they were received; and
- iv. in all material respects, income has been applied in accordance with the institution's statutes and where appropriate in accordance with the financial memorandum (2006/24) with HEFCE.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

December 2008

STATEMENT OF ACCOUNTING POLICIES

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

1 Basis of Preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain tangible assets and investments and in accordance with both the Statement of Recommended Practice on Accounting in Further and Higher Education Institutions 2007 (SORP), and applicable Accounting Standards. Accordingly, there have been restatements of tangible assets and endowments, see notes 11 & 19.

2 Basis of Consolidation

The financial statements consolidate the financial statements of the College and its subsidiary and associated undertakings for the financial year ended 31 July 2008.

The consolidated income and expenditure account includes the College's consolidated share of profits, losses and taxation of subsidiary and associated undertakings. The consolidated balance sheet includes the College's consolidated share of their underlying net tangible assets.

Details of the investments made in these companies are presented in note 12.

The consolidated financial statements do not include those of the Queen Mary and Westfield College Students Union because it is an independent association with separate control. The grant to the Students Union is disclosed in note 7.

3 Recognition of Income

- i. Funding body block grants are accounted for in the period to which they relate.
- ii. Fee income is stated gross and credited to the income and expenditure account over the period in which students are studying. Where the amount of the tuition fee is reduced, by a discount for prompt payment, income received is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.
- iii. Income from sponsored research grants and contracts is accounted for on an accruals basis and included to the extent that direct expenditure and recoverable overheads were incurred during the year. Any payments received in advance of performance are recognised in the balance sheet as liabilities. Funds the College receives and disburses as paying agent for the grant giving body are excluded from income and expenditure where there is minimal exposure to risk or minimal economic benefit received.
- iv. Investment income is credited to the Income and Expenditure Account on a receivable basis. Income from restricted endowments not required to cover expenditure in accordance with the restrictions of the endowment, is transferred from the income and expenditure account to restricted endowments.
- v. Grants or donations received in respect of expenditure on fixed assets are treated as deferred capital grants and released to the income and expenditure account in line with depreciation over the life of the asset.
- vi. Charitable donations are recognised when received or there is sufficient evidence to provide the necessary certainty that the donation will be received and the amount can be measured with sufficient reliability. Donations which are to be retained for the benefit of the College are recognised in the statement of total recognised gains and losses and in endowments: other donations are recognised by inclusion as other income in the income and expenditure account.
- vii. Increases or decreases in value arising on the revaluation or disposal of fixed asset investments are added to or subtracted from the fund concerned and are reported in the statement of total recognised gains and losses.

4 Tangible Fixed Assets

Land and buildings are stated at cost or valuation. The College has applied the transitional rules, contained in Financial Reporting Standard 15, Tangible Fixed Assets, to retain the previous valuations of these properties but not to adopt a policy of revaluation in the future.

Depreciation on buildings is calculated at 2% per annum using the reducing balance method. Depreciation on leased buildings is calculated over the life of the lease if the lease is less than 50 years or 2% per annum.

No provision for depreciation is made against the value of land.

Assets in the course of construction are stated at cost and are not depreciated until they are transferred to completed buildings when ready for use.

Where it is considered that there has been any impairment in value, this is provided for accordingly.

Plant and Machinery is depreciated over 10 to 15 years.

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

Capitalised equipment is depreciated over five to eight years if the cost is greater than £500,000 and over three years if the cost is less than £500,000.

Where assets are acquired with the aid of specific grants they are capitalised and depreciated as above. The related grants are treated as deferred capital grants and released to income in line with the depreciation charge.

STATEMENT OF ACCOUNTING POLICIES continued

Expenditure on an asset after it is purchased is capitalised when the expected future benefits from that asset are greater than those previously assessed.

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

5 Investments

Listed investments held as fixed assets are shown at market value.

Investments in subsidiary undertakings are shown at cost. The College carries out an annual impairment review of the investment in each subsidiary.

Current asset investments are held at the lower of cost and net realisable value.

6 Stocks

Stock is stated at the lower of cost and net realisable value. Included in the valuation are stocks in the refectories and central and departmental stores.

7 Liabilities

Liabilities are recognised where legal or constructive obligations mean that it is more likely than not that a transfer of economic benefits will be made.

8 Cash Flows and Liquid Resources

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

Liquid resources comprise assets held as a readily disposable store of value. They include term deposits held as part of the College's treasury management activities, but exclude any such assets held as fixed asset investments.

9 Leases

Finance leases which transfer substantially all the benefits and risks of ownership of an asset to the College, are treated as if the asset was 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 to provide the outstanding obligation at the next option date and the interest element is charged to the Income and Expenditure Account so as to give a constant periodic rate of charge of the remaining balance outstanding at the end of each accounting period.

Rental costs under operating leases are charged to expenditure in equal annual amounts over the period of the lease.

10 Foreign Currencies

Assets and liabilities in foreign currencies are translated into Sterling at the rates of exchange ruling at the Balance Sheet date. Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. Exchange differences arising have been included in the Income and Expenditure Account for the year.

11 Financial Instruments

The College uses derivative financial instruments called interest rate swaps to reduce exposure to interest rate movements. Such derivative financial instruments are not held for speculative purposes and relate to actual liabilities or probable commitments, changing the nature of the interest rate by converting a variable rate to a fixed rate. Interest differentials under these swaps are recognised by adjusting net interest payable over the periods of the contracts. If the derivative financial instrument ceases to be a hedge for an actual liability, it is marked to market and any resulting profit or loss recognised at that time.

A financial asset and liability are offset only when there is a legally enforceable right to set off the recognised amounts and an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

12 Joint Venture entities and Associates

The College's share of income and expenditure in joint venture entities is recognised in the institution's income and expenditure account in accordance with FRS9. Similarly the College's share of assets and liabilities in associate entities is recognised in the College's balance sheet in accordance with FRS9.

The gross equity method is used when consolidating joint venture entities and associate entities are consolidated using the equity method in accordance with FRS 9.

STATEMENT OF ACCOUNTING POLICIES continued

13 Pension Schemes

As described in note 27, the College is a member of three defined benefit pension schemes: the Superannuation Arrangements of the University of London, the Universities Superannuation Scheme, and the NHS Public Service Scheme. All three are multi-employer schemes where the share of assets and liabilities attributable to each employer are not identified. The College therefore accounts for its pension costs on a defined contribution basis as permitted by FRS 17. Differences between amounts charged to the Income and Expenditure Account and amounts funded are shown as either provisions or prepayments in the Balance Sheet.

The College is not a member of any defined contribution schemes which incur costs or liabilities other than the defined contributions themselves.

14 Endowment Funds

Endowments are charitable donations to be retained for the benefit of the institution as specified by the donors. There are three main types:

- (i) Unrestricted Permanent Endowments which the donor has specified are to be permanently invested to generate an income stream for the general benefit of the College
- (ii) Restricted expendable endowments which the donor has specified are to be used for a specific purpose other than purchase or construction of tangible fixed assets.
- (iii) Restricted permanent endowments which the donor has specified are to be permanently invested to generate an income stream for a particular purpose.

15 Taxation Status

The College 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 College is potentially 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.

The College is registered for Value Added Tax but is unable to recover input tax incurred on the majority of its expenditure, most education and research being exempt activities under VAT legislation. Irrecoverable VAT is included in the cost of the goods or service.

In the subsidiary companies deferred tax is recognised without discounting in respect of all timing differences between the treatment of certain items for tax and accounting purposes which have arisen but not reversed by the Balance Sheet date, except as otherwise required by FRS19.

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 JULY 2008

	Note	2008	2007 Restated *
		£000	£000
Income			
Funding body grants	1	90,367	82,168
Tuition Fees and Education contracts	2	56,279	47,743
Research grants and contracts	3	61,280	51,429
Other operating income	4	36,889	30,972
Endowment income and interest receivable	5	3,048	2,009
Total income		247,863	214,321
Expenditure			
Staff costs	6	143,233	127,407
Other operating expenses	7	86,512	75,639
Depreciation	11	12,891	9,299
Interest payable	8	3,132	2,529
Total expenditure	9	245,768	214,874
Surplus/(Deficit) for the year after depreciation of assets at valuation and before tax		2,095	(553)
Share of operating (loss) in associates		(141)	(88)
Taxation	10	(7)	0
Surplus/(Deficit) for the year after depreciation of assets at valuation and taxation and before exceptional items		1,947	(641)
Exceptional items: continuing operations	31	0	(1,144)
Disposal of fixed assets	11	(576)	2,022
Surplus for the year after depreciation of assets at valuation, disposal of assets and taxation		1,371	237
Net expenditure in the year transferred to accumulated income in endowment funds	19	968	198
Surplus for the year retained within general reserves	30	2,339	435

Results for the year and the previous year, as set out above, are derived entirely from continuing operations

* Results for the previous year have been restated as detailed in Note 33.

STATEMENT OF GROUP HISTORICAL COST SURPLUSES AND DEFICITS FOR THE YEAR ENDED 31 JULY 2008

	Note	2008	2007 Restated
		£000	£000
Surplus on continuing operations before taxation		2,339	435
Difference between historical cost depreciation and actual depreciation charge for the year calculated on re-valued fixed assets	20	180	184
Historical cost surplus for the period before taxation		2,519	619
Retained historical cost surplus after taxation		2,519	619

The notes on pages 16 to 32 form part of these financial statements

BALANCE SHEET AS AT 31 JULY 2008

	Note	Consolidated		College	
		2008	2007	2008	2007
		£000	Restated * £000	£000	Restated * £000
Fixed assets					
Tangible assets	11	304,573	286,369	306,136	294,948
Investments	12	713	713	4,228	4,230
Investments in associates & joint ventures	12	564	704	1	0
		<u>305,850</u>	<u>287,786</u>	<u>310,365</u>	<u>299,178</u>
Endowment asset investments					
Endowment Asset Investments	13	32,204	34,543	30,798	34,536
College Investment Funds	14	2,200	2,290	2,200	2,290
Total Investment Funds		<u>34,404</u>	<u>36,833</u>	<u>32,998</u>	<u>36,826</u>
Current assets					
Stocks		197	218	197	218
Debtors	15	29,002	22,291	32,391	26,069
Investments		11,254	9,780	11,253	9,780
Cash at bank and in hand		22,372	5,609	11,218	2,761
		<u>62,825</u>	<u>37,898</u>	<u>55,059</u>	<u>38,828</u>
Creditors: amounts falling due within one year	16	(58,879)	(44,320)	(60,746)	(46,629)
Net current assets/(liabilities)		<u>3,946</u>	<u>(6,422)</u>	<u>(5,687)</u>	<u>(7,801)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		344,200	318,197	337,677	328,203
Creditors: amounts falling due after more than one year	17	(78,974)	(61,721)	(65,722)	(61,721)
NET ASSETS		<u>265,226</u>	<u>256,476</u>	<u>271,955</u>	<u>266,482</u>
Deferred capital grants	18	170,219	161,307	164,307	158,197
Endowments	19				
Expendable		24,750	27,906	24,624	27,899
Permanent		7,454	6,637	6,174	6,637
		<u>32,204</u>	<u>34,543</u>	<u>30,798</u>	<u>34,536</u>
Reserves					
Revaluation reserve	20	13,304	13,484	13,304	13,484
Income and expenditure account		49,212	46,856	63,546	60,265
Other reserves		287	286	0	0
Total Reserves		<u>62,803</u>	<u>60,626</u>	<u>76,850</u>	<u>73,749</u>
TOTAL		<u>265,226</u>	<u>256,476</u>	<u>271,955</u>	<u>266,482</u>

Approved by Council on 25 November 2008 and signed on its behalf by

DR C BOWE
Chairman

PROF P OGDEN
Acting Principal

* Results for the previous year have been restated as detailed in Note 33.

Charles Bowe *P. Ogden*

The notes on pages 16 to 32 form part of these financial statements

STATEMENT OF CONSOLIDATED TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 JULY 2008

	Note	2008	2007 Restated *
		£000	£000
Surplus on continuing operations after depreciation of fixed assets at valuation and tax		2,339	435
Add			
Currency translation differences on net foreign investment		0	(1)
Unrealised gain arising from dilution of the shareholding in an associated undertaking		0	287
Revaluation of Investments		(161)	94
New Endowments	13	2,147	277
Revaluation of Endowment Investments	13	(3,353)	2,579
Management Fee charged to Capital Funds	13	(71)	0
Endowment Income (utilised) in the year	19	(1,109)	(297)
Endowment Income used for Capital Spend		0	(2,200)
Total Return on Permanent Endowments not applied in the current financial period	13	46	99
Total recognised gains relating to the year		<u>(162)</u>	<u>1,273</u>
Prior year adjustment (as explained in note 33)		<u>(3,030)</u>	
Total gains and losses recognised since last financial statements		<u><u>(3,192)</u></u>	
Reconciliation			
Opening reserves and endowments		95,169	93,896
Total recognised gains and losses relating to the year		<u>(162)</u>	<u>1,273</u>
Closing reserves and endowments		<u><u>95,007</u></u>	<u><u>95,169</u></u>

* Results for the previous year have been restated as detailed in Note 33.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 2008

	Note	2008	2007
		£000	Restated *
			£000
Net cash inflow from operating activities	22	18,569	13,816
Returns on investments and servicing of finance	23	(84)	(641)
Taxation		0	0
Associates		0	(88)
Capital expenditure and financial investment	24	(12,317)	(18,941)
Management of liquid resources	26	(1,474)	(4,336)
Financing	25	13,252	12,562
Increase in cash	26	<u>17,946</u>	<u>2,372</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

Increase in cash for the period	17,946	2,372
Change in short term deposits	1,474	4,336
Change in debt	(13,252)	(12,562)
Change in net debt	<u>6,168</u>	<u>(5,854)</u>
Net debt at 1 August	(42,275)	(36,421)
Net Debt at 31 July	<u>(36,107)</u>	<u>(42,275)</u>

The cashflow statement for 2007 has been restated following the prior period adjustments made - see Note 33 for details of these adjustments.

NOTES TO THE FINANCIAL STATEMENTS

1 Funding Body Grants

	Note	2008	2007
		£000	£000
Recurrent grant		78,833	74,134
Specific grants			
Higher Education Innovation Fund		1,943	1,382
Teacher Quality Enhancement Fund		307	387
Other		2,639	1,094
		<u>4,889</u>	<u>2,863</u>
Deferred capital grants released in year			
Buildings	18	2,496	2,746
Plant	18	675	0
Equipment	18	3,474	2,425
		<u>6,645</u>	<u>5,171</u>
Total		<u>90,367</u>	<u>82,168</u>

2 Tuition fees and education contracts

Full-time students charged home/EU fees		24,481	18,234
Full-time students charged overseas fees		26,877	24,606
Part-time students		2,078	1,821
Research training support grants		246	238
Short course fees		1,055	658
Other fees and support grants		1,542	2,186
		<u>56,279</u>	<u>47,743</u>

3 Research grants and contracts

Research councils		20,351	15,137
UK central government bodies		4,209	4,777
UK industry and commerce		3,874	3,214
UK-based charitable and health bodies		24,857	21,284
European Community		4,265	3,526
Other overseas countries		1,559	1,572
Other		447	770
Deferred capital grants released in year	18	1,718	1,149
		<u>61,280</u>	<u>51,429</u>

4 Other operating income

Residences, catering and conferences		11,763	10,981
Other services rendered		6,547	3,455
Health authorities		13,157	11,515
Other income		5,422	5,021
		<u>36,889</u>	<u>30,972</u>

NOTES TO THE FINANCIAL STATEMENTS continued

5 Endowment and Investment Income

	Note	2008	2007 Restated *
		£000	£000
Income from expendable endowments	19	896	692
Income from permanent endowments	19	213	173
Income from college investments		54	157
Income from short term investments		<u>1,885</u>	<u>987</u>
		<u><u>3,048</u></u>	<u><u>2,009</u></u>

* Results for the previous year have been restated as detailed in Note 33.

6 Staff

Staff costs:

Wages and salaries	118,867	105,523
Social security costs	10,572	9,540
Pension costs	<u>13,794</u>	<u>12,344</u>
	<u><u>143,233</u></u>	<u><u>127,407</u></u>

Emoluments of the Principal

Basic salary	208	189
London allowance	0	0
Special allowance	8	8
Benefits in kind	0	0

The emoluments of the Principal are shown on the same basis as for higher paid staff. The College's pension contributions to USS are paid at the same rate as for other academic staff and amounted to £30,287 (2007 £27,533).

There are no other senior post-holders for which disclosure is required.

Remuneration of other higher-paid staff

Excluding employer's pension contributions, but including payments made on behalf of the NHS in respect of its contractual obligations to College Staff, in bands of £10,000 from a starting point of £100,001.

	2008 Number of staff	2007 Number of staff
£100,001 — £110,000	22	14
£110,001 — £120,000	13	12
£120,001 — £130,000	7	11
£130,001 — £140,000	8	6
£140,001 — £150,000	6	4
£150,001 — £160,000	5	4
£160,001 — £170,000	1	3
£170,001 — £180,000	4	3
£180,001 — £190,000	1	2
£190,001 — £200,000	1	2
£200,001 — £210,000	2	2
£210,001 — £220,000	1	0
£220,001 — £230,000	1	0

No redundancy payments were made to higher-paid staff in the year to 31 July 2008. (2007:£Nil)

NOTES TO THE FINANCIAL STATEMENTS continued

6 Staff continued

Compensation for loss of office:	2008	2007
	£000	£000
Compensation payable	628	0

Severance pay was in accordance with the policies approved by the Remuneration Committee.

Average number of employees by category

	2008	2007 Restated *
Academic and Education	1,469	1,412
Professional Services	1,052	998
Technical Services	171	158
Operational Services*	378	134
	3,070	2,702

* On the 1 January 2008, the College took over cleaning and security services that were previously contracted out.

7 Other operating expenses

Other operating expenses include:

	2008	2007
	£000	£000
Residences, catering and conferences operating expenses	4,670	4,742
Consumables and laboratory expenditure	20,773	15,023
Funds payable to other colleges	871	755
Equipment	5,889	4,631
Books and periodicals	2,047	1,928
Fellowships, scholarships, prizes, and studentships	16,146	14,000
Heat, light, water and power	2,122	2,592
Repairs and general maintenance	1,735	1,890
Rent, rates and insurance	2,892	2,379
Other premises costs	2,126	2,867
Provision for doubtful debts	(32)	242
Grant to Students Union	1,051	688
Auditors' remuneration	116	120
Auditors' remuneration in respect of non-audit services	34	123
Miscellaneous audits of specific grants	0	3
Unfunded pension costs	202	541
University of London central charges	986	958
Professional and other fees	4,184	4,084
Conferences, travel and training	5,776	4,371
Non-established staff expenses	8,073	8,989
Other expenses*	6,851	4,713
	86,512	75,639

* Includes £141,235 in respect of Internal Audit fees. (2007 £117,845)

NOTES TO THE FINANCIAL STATEMENTS continued

8 Interest payable

	2008	2007 Restated *
	£000	£000
On loans and finance leases	3,132	2,529
	<u>3,132</u>	<u>2,529</u>

* See note 33 for further details on the restatement to prior year.

9 Analysis of 2008 expenditure by activity

	Note	Staff Costs £000	Depre- ciation £000	Other operating Costs £000	Interest Payable £000	2008 Total £000	2007 Total Restated * £000
Academic departments		83,065	3,433	25,755	0	112,253	101,245
Academic services		7,293	374	5,539	0	13,206	11,338
Research grants and contracts		28,246	1,423	26,516	0	56,185	45,823
Residences, catering and conferences		2,699	1,491	4,542	0	8,732	7,757
Premises		5,885	5,437	8,322	2,805	22,449	20,224
Administration		14,407	478	13,341	0	28,226	24,479
Other		1,638	255	2,497	327	4,717	4,008
Total per income and expenditure account		<u>143,233</u>	<u>12,891</u>	<u>86,512</u>	<u>3,132</u>	<u>245,768</u>	<u>214,874</u>
Total for year ended 31 July 2007 (Restated *)		<u>127,407</u>	<u>9,299</u>	<u>75,639</u>	<u>2,529</u>		<u>214,874</u>

Other operating expenses include:

External auditors remuneration in respect of audit services		116		120
External auditors remuneration in respect of non-audit services		34		123

The depreciation charge has been funded
by:

Deferred capital grants released	18	8,363	6,320
Revaluation reserve released	20	712	184
General Income		<u>3,816</u>	<u>2,795</u>
		<u>12,891</u>	<u>9,299</u>

* See note 33 for further details on the restatement to prior year.

10 Taxation

	2008	2007
	£000	£000
Macau complementary (corporation) tax at 12% on the profits of Queen Mary Research Laboratories (Macau) Limited	<u>7</u>	<u>0</u>

Council does not believe that the College is liable for any UK corporation tax arising out of its activities during the year.

NOTES TO THE FINANCIAL STATEMENTS continued

11 Tangible Assets

	Land and Buildings					Total
	Freehold	Long Leasehold	Assets in course of construction	Plant & Machinery	Equipment	
	£000	£000	£000	£000	£000	
Consolidated						
Cost						
At 1 August 2007	270,912	34,476	6,563	0	40,471	352,422
Transfers	(2,992)	(7,497)	(7,912)	17,781	620	0
Additions at cost	(3)	0	24,861	156	6,657	31,671
Disposals at cost	(297)	(463)	(75)	0	(9)	(844)
At 31 July 2008	<u>267,620</u>	<u>26,516</u>	<u>23,437</u>	<u>17,937</u>	<u>47,739</u>	<u>383,249</u>
Depreciation						
At 1 August 2007	(27,745)	(8,639)	0	0	(29,669)	(66,053)
Transfers	(1,030)	2,105	0	(1,062)	(13)	0
Charge for the year	(4,419)	(517)	0	(1,549)	(6,406)	(12,891)
Disposals	82	125	0	0	61	268
At 31 July 2008	<u>(33,112)</u>	<u>(6,926)</u>	<u>0</u>	<u>(2,611)</u>	<u>(36,027)</u>	<u>(78,676)</u>
Net book value						
At 31 July 2008	<u>234,508</u>	<u>19,590</u>	<u>23,437</u>	<u>15,326</u>	<u>11,712</u>	<u>304,573</u>
Net book value						
At 1 August 2007	<u>243,167</u>	<u>25,837</u>	<u>6,563</u>	<u>0</u>	<u>10,802</u>	<u>286,369</u>
College						
Cost						
At 1 August 2007	283,219	34,476	3,689	0	38,847	360,231
Transfers	(2,992)	(7,497)	(7,912)	17,143	1,258	0
Additions at cost	0	0	17,722	60	6,637	24,419
Disposals at cost	(297)	(463)	0	0	0	(760)
At 31 July 2008	<u>279,930</u>	<u>26,516</u>	<u>13,499</u>	<u>17,203</u>	<u>46,742</u>	<u>383,890</u>
Depreciation						
At 1 August 2007	(27,738)	(8,639)	0	0	(28,906)	(65,283)
Transfers	(1,030)	2,105	0	(972)	(103)	0
Charge for the year	(4,419)	(516)	0	(1,476)	(6,268)	(12,679)
Disposals	82	126	0	0	0	208
At 31 July 2008	<u>(33,105)</u>	<u>(6,924)</u>	<u>0</u>	<u>(2,448)</u>	<u>(35,277)</u>	<u>(77,754)</u>
Net book value						
At 31 July 2008	<u>246,825</u>	<u>19,592</u>	<u>13,499</u>	<u>14,755</u>	<u>11,465</u>	<u>306,136</u>
Net book value						
At 1 August 2007	<u>255,481</u>	<u>25,837</u>	<u>3,689</u>	<u>0</u>	<u>9,941</u>	<u>294,948</u>

Land and Buildings – Freehold includes land with a cost of £8,854k (College £21,160k) which is not depreciated.

NOTES TO THE FINANCIAL STATEMENTS continued

11 Tangible Assets - Land and Buildings continued

The College occupies certain premises with an estimated net usable floor space of 7,569 square metres in and near the vicinity of St Bartholomew's Hospital which is owned and leased by other bodies and for which no annual or nominal rental payment is made. In addition, the College occupies premises for which no formal rental is paid although a contribution is made to the maintenance and running costs of these premises.

The freehold of the Medical College site at Charterhouse Square is vested in the Trustees of the Medical College of St Bartholomew's Hospital Trust. The site is leased to the College for a term of 26 years from 16 December 1999. The rent reserved is one peppercorn per annum plus an annual rent equal to the rents received from the sub-tenancies.

Freehold buildings include buildings at a cost of £8,220,236 with a net book value of £7,683,435 in respect of assets under finance leases. The depreciation charge in respect of these assets is £156,805. Plant and machinery includes plant at a cost of £16,630,953 with a net book value of £13,427,507. The depreciation charge in respect of these assets is £2,231,538. Equipment includes assets at a cost of £1,761,950 with a net book value of £1,220,577. The depreciation charge in respect of these assets is £437,756.

12 Investments

Subsidiary companies and other investments	Consolidated		College	
	2008	2007	2008	2007
	£000	£000	£000	£000
Investment in subsidiary companies at cost	0	0	3,515	3,517
Other Investments	713	713	713	713
	<u>713</u>	<u>713</u>	<u>4,228</u>	<u>4,230</u>

Associates & joint ventures	Consolidated		College	
	2008	2007	2008	2007
	£000	£000	£000	£000
Investment in associates & joint ventures	564	704	1	0
	<u>564</u>	<u>704</u>	<u>1</u>	<u>0</u>

The College holds directly the following shares in subsidiary and associated companies:

	Country of Registration	Equity Holding	Proportion held	Principal Activity
Degrasense Limited	England	Ordinary	47.69%	Industrial Biosensors
Erdot Limited	England	Ordinary	34.52%	Inkjet Printing Technology
People's Palace Projects Limited	England	Limited by guarantee	100.00%	Participatory arts charity
Queen Mary Innovation Limited*	England	Ordinary	100.00%	Holding Company
Queen Mary Innovation Limited*	England	Preference	100.00%	Holding Company
Queen Mary Research Laboratories (Macau) Limited	Macau	Ordinary	48.00%	Smart Antennas for wireless networks
Stealthyx Therapeutics Limited	England	Ordinary	42.00%	Drug Delivery
Vision Semantics Limited	England	Ordinary	100.00%	CCTV Analytics
William Harvey Research Limited	England	Ordinary	40.00%	Research

NOTES TO THE FINANCIAL STATEMENTS continued

12 Investments continued

Queen Mary Innovation Limited* holds directly the following shares in subsidiary and associated companies:

	Country of Registration	Equity Holding	Proportion held	Principal Activity
Abonetics 2000 Limited	England	Ordinary	50.00%	Intellectual Property
Abonetics 2000 Limited	England	Preference	100.00%	Intellectual Property
Apriorie Limited	England	Ordinary	50.00%	Intelligent Researching
CCLS Services Limited	England	Ordinary	100.00%	Intellectual Property Rights
Expert Engineering Limited**	England	Ordinary	100.00%	Engineering Consultancy
Nanoforce Technology Limited	England	Ordinary	100.00%	Micro and Nanotechnology facility
Q-Flow Limited	England	Ordinary	100.00%	Dormant
QMW Developments Limited	England	Ordinary	100.00%	Property Development
QM BioEnterprises Limited***	England	Ordinary	100.00%	Developing Innovation Centre
Queen Mary Research Laboratories (Macau) Limited	Macau	Ordinary	52.00%	Smart Antennas for wireless networks
Retroscreen Virology Limited	England	Ordinary	36.72%	Virology Research
TMS Technologies International Limited	England	Ordinary	100.00%	Dormant
Vaxome Limited	England	Ordinary	33.36%	Vaccine Technology

CCLS Services Limited holds shares in a subsidiary company:

	Country of Registration	Equity Holding	Proportion held	Principal Activity
Queen Mary Intellectual Property Research Institute Limited	England	Ordinary	100.00%	Dormant

Other Investments

The College holds 53,186 shares in CVCP Properties Ltd.

The College holds 1,000,000 ordinary shares in Gardent Pharmaceuticals Inc.

Queen Mary Innovation Limited holds 2,250,000 ordinary shares in Apatech Limited, representing 10.31% of the share capital.

Queen Mary Innovation Limited holds 2,000 ordinary shares in Neurotex Limited, representing 20.00% of the share capital.

Queen Mary Innovation Limited holds 24,500 ordinary shares in Phosphonics Limited, representing 1.04% of the share capital.

Queen Mary Innovation Limited holds 800 ordinary shares in Viratis Limited, representing 10.39% of the share capital.

Queen Mary Innovation Limited holds 1,000 ordinary shares in Vision Semantics Limited, representing 8.67% of the share capital.

* Queen Mary Innovation Limited was formerly known as QMC Industrial Research Limited.

** Expert Engineering Limited was dissolved on 28/08/2008.

*** QM BioEnterprises Limited was formerly known as Queen Mary Innovation Limited.

NOTES TO THE FINANCIAL STATEMENTS continued

13 Endowment asset investments

	Consolidated		College	
	2008	2007 Restated *	2008	2007 Restated *
	£000	£000	£000	£000
Balance at 1 August	34,543	34,085	34,536	34,085
New endowments invested	2,147	284	349	277
(Decrease)/increase in market value of investments	(3,353)	2,579	(3,353)	2,580
Capital expenditure	(71)	(2,200)	(71)	(2,200)
Increase/(Decrease) in cash balance held by College for endowment funds	(1,062)	(205)	(663)	(206)
Balance at 31 July	32,204	34,543	30,798	34,536
Represented by:				
Fixed interest stocks	2,544	2,663	2,544	2,663
Equities	19,442	22,114	19,442	22,114
Property investment trusts and shares	1,722	3,477	1,722	3,477
Hedge Funds	3,512	2,484	3,512	2,484
Cash balances with fund manager & short term investments/cash	4,984	3,805	3,578	3,798
	32,204	34,543	30,798	34,536

* See note 33 for further details on the restatement to prior year.

14 College Investment Funds

	Consolidated and College	
	2008	2007
	£000	£000
Represented by:		
Fixed interest stocks	182	176
Equities	1,389	1,466
Property investment trusts and shares	122	231
Hedge Funds	251	165
Bank balances	256	252
	2,200	2,290

The College has one portfolio of investments which includes both endowments and College funds.

93.60% (93.78% in 2006/7) of each class of asset under management is held by the endowment funds. The balance of 6.4% (6.22% in 2006/7) represents general College funds.

NOTES TO THE FINANCIAL STATEMENTS continued

15 Debtors

	Consolidated		College	
	2008	2007	2008	2007
	£000	£000	£000	£000
Research grants/contracts	17,204	14,665	17,135	14,665
Other debtors	10,348	6,040	10,151	5,927
Amounts owed by subsidiaries	0	0	4,129	3,953
Prepayments and accrued income	1,450	1,586	976	1,524
	<u>29,002</u>	<u>22,291</u>	<u>32,391</u>	<u>26,069</u>

16 Creditors : amounts falling due within one year

	Consolidated		College	
	2008	2007	2008	2007
	£000	£000	£000	£000
Bank loans and overdrafts	654	0	654	0
Social security and other taxation payable	3,464	3,139	3,465	3,132
Research grants/contracts in advance	29,784	22,424	29,784	21,974
Other creditors and credit balances	11,015	7,070	10,752	6,938
Deferred grants	5,751	4,470	5,295	4,470
Accruals and deferred income	8,211	7,217	7,757	7,040
Amounts owed to subsidiaries	0	0	3,039	3,075
	<u>58,879</u>	<u>44,320</u>	<u>60,746</u>	<u>46,629</u>

17 Creditors: amounts falling due after more than one year

	Consolidated		College	
	2008	2007 Restated *	2008	2007 Restated *
	£000	£000	£000	£000
Bank loan	48,360	35,108	35,108	35,108
Finance leases	26,613	26,613	26,613	26,613
Other Creditors	4,001	0	4,001	0
	<u>78,974</u>	<u>61,721</u>	<u>65,722</u>	<u>61,721</u>

* See note 33 for further details on the restatement to prior year.

Additional disclosure required for bank loan

	2008	2007	2008	2007
	£000	£000	£000	£000
The bank loans are repayable as follows:				
In two years or less	0	0	0	0
Between two and five years	583	383	583	383
In five years or more	47,777	34,725	34,525	34,725
Total	<u>48,360</u>	<u>35,108</u>	<u>35,108</u>	<u>35,108</u>

NOTES TO THE FINANCIAL STATEMENTS continued

17 Creditors: amounts falling due after more than one year continued

Included within loans are the following:

Lender	Amount	Term	Interest rate	Borrower
	£000	years	%	
Lloyds TSB (Unsecured)	35,108	35	0.18 above base or LIBOR	College
Barclays (Secured)	13,252	27	5.27	QM BioEnterprises

The College entered into a loan facility for £60m with Lloyds TSB on 6 March 2007 to refinance £25 million of loans with the Royal Bank of Scotland and to fund current and future capital projects. The facility is for 35 years. The first five years is a draw down period during which time interest payments are made but there are no repayments of principal. Principal is thereafter repaid by half yearly instalments over 30 years but calculated on a 40 year amortising annuity schedule. A bullet repayment of £16.3 million is, therefore, due in year 35.

The following swaps, excluding margin, were put in place on 7 March 2007:

£15m for 35 years at 4.57%.

£15m for 25 years at 4.745%

£12m forward starting in three years time for 18 years at 4.63%

However, a 25 year amortising swap at 5.22% was previously taken out in respect of the loans with the Royal Bank of Scotland. The cost of breaking, blending and extending this swap to bring it into the new structure increases the weighted average cost on the fixed element of the funding to 4.88% including margin. By effecting this re-financing, the College secured a larger loan for a longer period at lower cost.

Additional disclosure required for finance lease

	Consolidated		College	
	2008	2007 Restated *	2008	2007 Restated *
	£000	£000	£000	£000
The finance leases are repayable as follows:				
In one year or less	0	0	0	0
Between one and two years	0	0	0	0
Between two and five years	0	0	0	0
In five years or more	26,613	26,613	26,613	26,613
Total	26,613	26,613	26,613	26,613

* See note 33 for further details on the restatement to prior year.

NOTES TO THE FINANCIAL STATEMENTS continued

18 Deferred Capital Grants Consolidated

Total	Note	Other grants and benefactions		Total	
		HEFCE			
		2008	2008	2008	2007
		£000	£000	£000	
At 1 August 2007					
Buildings		123,113	17,506	140,619	138,554
Assets in the course of construction		928	351	1,279	1,885
Plant		8,116	0	8,116	0
Equipment		8,635	2,658	11,293	10,977
Total		140,792	20,515	161,307	151,416
Cash received/receivable					
Buildings		0	0	0	0
Assets in the course of construction		8,830	3,860	12,690	13,008
Plant		0	0	0	0
Equipment		3,576	1,009	4,585	3,215
Total		12,406	4,869	17,275	16,223
Released to Income and Expenditure					
Buildings	1,3	(2,496)	(339)	(2,835)	(2,758)
Plant	1	(675)	0	(675)	0
Equipment	1,3	(3,474)	(1,379)	(4,853)	(3,574)
Total		(6,645)	(1,718)	(8,363)	(6,332)
Transfers					
Buildings		4,774	(1,899)	2,875	12,938
Assets in the course of construction		(4,774)	1,899	(2,875)	(13,614)
Plant		0	0	0	0
Equipment		0	0	0	676
Total		0	0	0	0
At 31 July 2008					
Buildings		125,391	15,268	140,659	148,735
Assets in the course of construction		4,984	6,110	11,094	1,279
Plant		7,441	0	7,441	0
Equipment		8,737	2,288	11,025	11,293
Total		146,553	23,666	170,219	161,307

NOTES TO THE FINANCIAL STATEMENTS continued

18 Deferred Capital Grants College

	Note	HEFCE 2008 £000	Other grants and benefactions 2008 £000	Total 2008 £000	Total 2007 £000
At 1 August 2007					
Buildings		123,113	15,257	138,370	137,878
Assets in the course of construction		928	351	1,279	1,885
Plant		8,116	0	8,116	0
Equipment		8,635	1,797	10,432	10,276
Total		140,792	17,405	158,197	150,039
Cash received					
Buildings		0	0	0	0
Assets in the course of construction		8,830	1,000	9,830	10,757
Plant		0	0	0	0
Equipment		3,576	772	4,348	3,435
Total		12,406	1,772	14,178	14,192
Released to Income and Expenditure					
Buildings	1	(2,496)	(340)	(2,836)	(2,758)
Plant		(675)	0	(675)	0
Equipment	1,3	(3,474)	(1,083)	(4,557)	(3,278)
Total		(6,645)	(1,423)	(8,068)	(6,036)
Transfers					
Buildings		4,774	351	5,125	11,364
Assets in the course of construction		(4,774)	(351)	(5,125)	(11,364)
Plant		0	0	0	0
Equipment		0	0	0	0
Total		0	0	0	0
At 31 July 2008					
Buildings		125,391	15,268	140,659	146,486
Assets in the course of construction		4,984	1,000	5,984	1,279
Plant		7,441	0	7,441	0
Equipment		8,737	1,486	10,223	10,432
Total		146,553	17,754	164,307	158,197

NOTES TO THE FINANCIAL STATEMENTS continued

19 Endowments Consolidated	Total Restricted Permanent	Total Restricted Expendable	Total Endowments	Total Endowments
	2008	2008	2008	2007
	£000	£000	£000	£000 Restated *
Balances at 1 August 2007				
Capital	6,118	28,914	35,032	34,369
Accumulated Income	519	(1,008)	(489)	(284)
New Endowments	1,295	852	2,147	277
Investment Income	213	896	1,109	990
Expenditure	(66)	(2,105)	(2,171)	(1,188)
Capital Expenditure	0	0	0	(2,200)
(Decrease)/Increase in market value of investments	(611)	(2,742)	(3,353)	2,579
Management Fee applied to capital	(14)	(57)	(71)	0
Balances at 31 July 2008	7,454	24,750	32,204	34,543
Represented by:				
Capital	6,788	26,873	33,661	35,032
Accumulated Income	666	(2,123)	(1,457)	(489)
	7,454	24,750	32,204	34,543

In previous years endowments were analysed as general endowments and specific endowments. The revised headings above reflect the requirements of the SORP and Institution's accounting policies.

20 Revaluation reserve

	Consolidated	Consolidated	College	College
	2008	2007	2008	2007
	£000	£000	£000	£000
Revaluations				
Balance at 1 August	13,484	13,668	13,484	13,668
Released in year	(180)	(184)	(180)	(184)
Balance at 31 July	13,304	13,484	13,304	13,484

21 Capital commitments

	Consolidated and College	
	2008	2007
	£000	£000
Capital expenditure contracted but not provided for in financial statements	66,672	8,188

NOTES TO THE FINANCIAL STATEMENTS continued

22 Reconciliation of consolidated operating surplus before tax to net cash inflow from operating activities

	Note	Consolidated 2008	2007 Restated *
		£000	£000
Surplus/(Deficit) for the year after depreciation of assets at valuation and before tax		2,095	325
Depreciation	11	12,891	9,299
Deferred capital grants released to income	17	(8,363)	(6,332)
Investment income	5	(3,048)	(2,009)
(Loss)/profit on the sale of tangible assets		0	(2,022)
Interest payable	8	3,132	2,529
Decrease in stocks		21	214
(Increase)/decrease in debtors	15	(6,711)	3,930
Increase in creditors	16	14,551	7,882
Increase in creditors due after one year	17	4,001	0
Net cash inflow from operating activities		18,569	13,816

* See note 33 for further details on the restatement to prior year.

23 Returns on investment and servicing of finance

Income from investments	5	1,163	901
Interest received	5	1,885	987
Interest paid	8	(3,132)	(2,529)
		(84)	(641)

24 Capital expenditure and financial investment

Purchase of tangible assets	11	(31,672)	(36,642)
Purchase of investments		(67)	(12,577)
Dilution of shareholding in associate undertaking		0	(710)
Total payments to acquire fixed and endowment asset investments		(31,739)	(49,929)
Sale of investments	13	0	13,991
Sale of land and buildings		0	2,642
Deferred capital grants received		17,275	14,023
Endowments received	19	2,147	332
		19,422	30,988
Net cash (outflow) from investing activities		(12,317)	(18,941)

NOTES TO THE FINANCIAL STATEMENTS continued

25 Financing

	Consolidated 2008	2007 Restated *
	£000	£000
New secured loans	13,252	37,631
Repayment of amounts borrowed	0	(25,069)
Net cash inflow from financing	13,252	12,562

* See note 33 for further details on the restatement to prior year.

26 Analysis of changes in net debt

	At 1 August	Cash Flows	At 31 July
	£000	£000	£000
Cash at bank and in hand:			
Endowment assets	4,057	1,183	5,240
Others	5,609	16,763	22,372
Total cash at bank and in hand	9,666	17,946	27,612
Short term deposits	9,780	1,474	11,254
Debts due after one year	(61,721)	(13,252)	(74,973)
Total net debt	(42,275)	6,168	(36,107)

27 Pension costs

SAUL

The College participates in the Superannuation Arrangements of the University of London (SAUL), which is a centralised defined benefit scheme for all qualifying employees with the assets held in separate Trust-administered funds. SAUL is a multi-employer scheme where the shares of assets and liabilities applicable to each employer is not identified. The College therefore accounts for its pension costs on a defined contribution basis, as permitted by Financial Reporting Standard 17 *Accounting for Pension Costs*. As a result, the amounts charged to the income and expenditure account represent the contributions payable to the schemes in respect of the accounting period.

The last available actuarial valuation of the scheme was at 31 March 2005 using the projected unit credit method. The assumptions which have the most significant effect on the result of the valuation and the valuation results are set out below.

The contribution rate required for future service benefits alone at the date of the valuation was 19.2% of salaries. The past service surplus allows the College to pay contributions at the rate of 13% effective from August 2006, subject to review at future valuations. The surplus also supports the continuation of the Employee contribution rate of 6% from August 2006, again subject to review. The next formal actuarial valuation is expected in early 2009, when the above rates will be reviewed.

USS

The College participates in the Universities Superannuation Scheme (USS), which is a funded defined benefit scheme where contributions are held in trust separately from the College.

The College contributions rate required for future service benefits alone at the date of valuation was 14.3% of pensionable salaries but the trustee company, on the advice of actuary, decided to maintain the College contribution rate at 14% of total pensionable salaries.

The next formal triennial actuarial valuation is due as at March 2008. The contribution rate will be reviewed as part of each valuation. Any surpluses or deficits arising at this or future valuations may impact on the College's future contribution commitment.

The pensions charge recorded by the College during the accounting period was equal to the contributions payable, taking into account benefit improvements subsequent to the valuation and the spreading of surplus over future service lives of employees. The USS is a multi-employer scheme where the share of assets and liabilities applicable to each employer is not identified. The College therefore accounts for its pension costs on a defined contribution basis as permitted by Financial Reporting Standard 17.

NOTES TO THE FINANCIAL STATEMENTS continued

27 Pension costs continued

Public Service Scheme (NHS)

The NHS Pension scheme is an unfunded defined benefit scheme that covers NHS employees, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. As a consequence it is not possible for Queen Mary, University of London to identify its share of the underlying scheme assets and liabilities. The College therefore accounts for its pension costs on a defined contribution basis as permitted by Financial Reporting Standard 17.

Membership of this scheme is restricted to existing staff who are members and new staff who were already members by virtue of their previous National Health Service employment. The NHS scheme is funded centrally by the Treasury on a current cost basis.

The main feature of the most recent valuations of the principal schemes, under a FRS 17 basis, are as follows:

Latest Actuarial Valuations	USS 31 Mar 2005	SAUL 31 Mar 2005
Assumptions		
Investment returns per annum – past service liabilities	4.5%	5.5%
Investment returns per annum – future service liabilities	6.2%	6.5%
Salary scale increases per annum	3.9%	4.15%
Pension increases per annum	2.9%	2.65%
Results		
Market value of assets at date of last valuation	£21,740m	£982m
Regular contribution rate	14.3%	19.7%
Variation from regular cost	(0.3%)	(9.2%)
Proportion of members' accrued benefits covered by the actuarial valuation of the assets	77%	93%

Contributions

The College's contributions to the schemes, as at 31 July 2008, are shown below.

	USS	SAUL	NHS
	%	%	%
Employees' contributions	6.35	6.00	6.00
Employer's contributions	14.00	13.00	14.00
		2008	2007
		£000	£000
Contribution to USS		10,170	9,068
Contribution to SAUL		1,834	1,624
Public Service Scheme		1,790	1,652
Net charge to Income and Expenditure Account		13,794	12,344

28 Access funds

	2008	2007
	£000	£000
Balance brought forward	12	32
Grant received	351	333
Interest	6	5
Expenditure	(366)	(358)
Balance carried forward	3	12

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

NOTES TO THE FINANCIAL STATEMENTS continued

29 Related party disclosures

No transactions were identified which should be disclosed under Financial Reporting Standard 8 '*Related Party Disclosures*'.

30 Surplus on Continuing Operations for the Period

The surplus on continuing operations for the period is made up as follows:

	Year ended 31 July 2008
	<u>£000</u>
College's surplus for the period before Gift Aid and gain on sales of fixed assets	3,683
Loss on sale of tangible assets	(552)
Gift Aid receivable from subsidiary undertakings	21
	<u>3,152</u>
Deficit retained by subsidiary undertakings after Gift Aid payments	(795)
Elimination of gains on intra-group transactions on consolidation	(18)
Total	<u><u>2,339</u></u>

31 Exceptional Items

There were no exceptional items in 2008. (2007 write off of developments costs in subsidiary undertaking £1,144k)

32 Contingent Liability

The college has entered into a guarantee with Barclays Bank plc to meet the liabilities arising from a £16.5m loan to QM BioEnterprises Limited for the purpose of constructing a technology innovation centre at Whitechapel. (QM BioEnterprises Limited was formerly Queen Mary Innovation Limited). The value of the drawdowns at 31 July 2008 is £13.25m. The College's liability under the guarantee is contingent upon QM BioEnterprises Limited being unable to meet the schedule of loan repayments. At present there is no indication that QM BioEnterprises Limited will be unable to meet the schedule of loan repayments.

Nanoforce Technology Limited and QM BioEnterprises Limited have received funding through grants. The value of these grants would become a liability to College in the event of the companies being unable to meet the terms of the grant agreements and being unable to repay the grants received. As at 31 July 2008 the value of grants received is £8.1m. At present there is no indication that either company will be unable to meet the requirements of their respective grant agreements.

33 Prior Year Adjustment Note

The prior year adjustment related to endowments follows from full implementation of the SORP Accounting for Further & Higher Education 2007. The Lease liability reclassification stems from an error in the accounting treatment of the finance leases that funded plant, fittings and equipment in the Student Village and Blizzard medical research building.

Analysis of Prior Year Adjustment	2007
	<u>£000</u>
Closing reserves and endowments as previously stated	98,199
Endowments reclassification	(439)
Lease liability reclassification - increase in long term creditor	(2,090)
Movement during 2007:	
Endowments reclassification	19
Lease liability reclassification - increase in interest payable	(520)
Closing reserves and endowments as restated at 31 July 2007	<u><u>95,169</u></u>

COUNCIL MEMBERSHIP 2007-08

CHAIRMAN	Dr C Bowe, MSc, PhD
VICE-CHAIRMAN	Mr J M St J Harris, MA(Oxon)
TREASURER	Mr C J Perrin, CBE, MA(Oxon), Barrister, Hon MRCP
EX OFFICIO MEMBERS	
The Principal	Professor A F M Smith, MA(Cantab), MA (Oxon), MSc, PhD, FRS, FIS, FIMA
The Warden of St Bartholomew's and The Royal London School of Medicine and Dentistry	Professor Sir Nicholas Wright, MD, PhD, DSc, FRCS, FRCP, FRCPath, FMedSci
Senior Vice-Principal	Professor P E Ogden, BA (Dunelm), D Phil (Oxon)
The President of the Students' Union	Nas Tarmann

APPOINTED MEMBERS (not being staff or students of the College)

Mr J M St J Harris, MA(Oxon)	<i>Tenure ends or ended</i> 31 August 2012
Mr A Walker	31 August 2009
Dr C Bowe, MSc, PhD	31 August 2008
Dr A M Jolles, BA, PhD, LLM	31 August 2012
Mr C J Perrin, CBE, MA(Oxon), Barrister, Hon MRCP	31 August 2012

ELECTED MEMBERS [STAFF]

Professor N Lemoine MD PhD FRCPath FMedSci	31 August 2010
Professor H Navsaria, PhD	31 August 2009
Professor T T MacDonald, BSc, PhD (Glasgow), FRCPath, FMedSci	31 August 2009
Professor E Welch, BA (Harvard), PhD (Lond)	31 August 2009
Professor C M Reed, BA(Keele), LLM	31 August 2010
Mr J Rowson, BSc(UMIST), MSc(Essex)	31 August 2008
Professor G Thompson, BSc, PhD, DIC, ARCS, CPhys	31 August 2010

ELECTED MEMBER [STUDENT]

Mr D Shukur	31 August 2007
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ELECTED MEMBER [ACADEMIC RELATED STAFF]

Barbara Ashcroft

ELECTED MEMBER [NON-ACADEMIC STAFF]

Simon Barlow

CO-OPTED MEMBERS

Mr A B Gibbins, MA(Oxon), FCA	13 December 2009
Mr F V McClure, BA	31 August 2008
Mr D Sizer	31 August 2009
Mr A Ullah	31 August 2008
Ms M Elford	12 December 2011
Ms E Hall	12 December 2011
Sir David Kitchin	12 December 2011
Mr D Thomas	12 December 2011
Mr P Wolton	12 December 2011
Vacancy	

AUDIT & COMPLIANCE COMMITTEE MEMBERSHIP 2007-08

CHAIRMAN (an external member of Council) Mr A B Gibbins, MA(Oxon), FCA

ONE OTHER EXTERNAL MEMBER OF COUNCIL

Mr D Thomas

TWO ACADEMIC MEMBERS OF COUNCIL

Professor G Thompson, BSc, PhD, DIC, ARCS, CPhys
Professor N Lemoine MD PhD FRCPath FMedSci