



**The Committee of
Vice-Chancellors and
Principals of the
Universities of the UK**

Report + Financial Statements

1999/2000

CVCP

**The voice of
UK universities**

Committee of Vice-Chancellors and Principals of the Universities of the United Kingdom

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Company limited by guarantee, registered in England and Wales No 2517018. Registered office as above.
Registered Charity No 1001127.

Report and Financial Statements

For the year ended 31 July 2000

Officers and Professional Advisers

The members of the UK Board (Directors and Trustees of the company) appointed for the year from 1 August 1999 to 31 July 2000 were as follows:

Professor Sir Howard Newby	(Chairman)
Professor Roderick Floud	(Vice Chairman)
Professor Ian Graham-Bryce*	(Vice-Chairman)(Appointed 1 August 1999)
Professor Sir Adrian Webb	(Vice-Chairman)(Appointed 1 February 2000)
Professor John Williams	(Vice-Chairman)
	(Appointed 1 August 1999, resigned 1 February 2000)
Professor Sir Alec Broers	
Professor John Bull	(Treasurer)
Mrs Sandra Burslem	(Appointed 1 August 1999)
Dr Geoffrey Copland	
Professor Ivor Crewe	
Professor Sir Graeme Davies	
Professor Janet Finch	(Appointed 1 August 1999)
Professor Norman Gowar	(Resigned 31 December 1999)
Professor Sir Martin Harris	
Professor Christine King	
Sir John Kingman	
Dr Peter Knight	
Professor Philip Love	
Professor Christopher Llewellyn Smith*	(Appointed 1 January 2000)
Professor John Tarrant	(Appointed 1 August 1999)
Professor Alan Wilson	(Appointed 1 August 1999)
Professor Leslie Wagner*	
Mr James Wright	

* Term of office ended 31 July 2000

No member of the UK Board had a beneficial interest in any contract with the company. Board Members are elected by the Vice-Chancellors of the member universities or appointed by the Chairman.

Company Secretary Peter Pendle

Registered Office

Woburn House
20 Tavistock Square
London WC1H 9HQ

Bankers

National Westminster Bank PLC
PO Box 83
Tavistock House
Tavistock Square
London WC1H 9HQ

Solicitors

Dibb Lupton Alsop
India Buildings
Water Street
Liverpool L2 ONH

Auditors

Horwath Clark Whitehill
25 New Street Square
London EC4A 3NL

Trustees' Report

For the year ended 31 July 2000

The trustees, who are also directors of the company, present their annual report and the audited financial statements for the year ended 31 July 2000.

Financial Review

The Trustees of CVCP are pleased to report net incoming resources of £192,396. If restricted funds were excluded the amount would be £138,922.

CVCP was restructured with effect from 1 August 1999 with COSHEP and HEW becoming recognised as National Councils of CVCP. CVCP took over the administration of COSHEP with effect from 1 August 1999 and agreed to support the additional cost of restructuring. CVCP will become responsible for the administration of HEW from 1 August 2000.

The surplus was greater than planned due to two main factors:

- VAT reclaims from Customs and Excise relating to self-supply of stationary and partial zero rating of subscriptions. The reclaims spanned five years.
- The covenants received from CVCP Properties plc and CVCP Property Management Limited were greater than initially forecast.

CVCP owns 100% of the share capital in CVCP Property Management Limited. The financial position of CVCP Property Management Limited is shown in note 15 of the accounts.

Organisation

CVCP is incorporated as a private company limited by guarantee (company number 2517018) and not having share capital. It is a registered charity (number 1001127).

Principal Activities

CVCP comprises of executive heads of all UK universities. There are currently 125 full and associate member institutions. CVCP exists to *promote, encourage and develop the university sector of Higher Education in the United Kingdom* thereby ensuring a bright future for all our universities, and the public that benefit from them.

Trustees' Report (continued)

For the year ended 31 July 2000

CVCP is the voice of UK universities and supports the university sector by:

- Campaigning for sufficient funding for a Higher Education System which provides access to all that can benefit from it.
- Assisting in the development of good practice in all spheres of university activity by sharing ideas and experiences.
- Promoting the policy of widening participation in education among all sectors of the community
- Championing the independence and autonomy of UK universities.

The Committee works by formulating common views on matters affecting UK universities collectively; representing the universities in dealings with Government, Parliament, Funding Councils, other national institutions, and other organisations and individuals world-wide; and providing information and central services.

The Committee appoints a Chief Executive who is responsible for the day to day management of the CVCP office. The office carries out its functions through three groups:

The Corporate Affairs Group which campaigns on behalf of universities and supports universities in their own local campaign activity on national higher education issues. It provides information on the UK university system.

The Policy Development Group undertakes research and policy development. It provides advice on technical aspects of higher education management, supports the work of sector groups and services the Commission on University Career Opportunity (CUCO).

The Resources Group is responsible for all aspects of CVCP administration including membership issues, financial and human resources management. It services Executive Committee, Council and Main Committee meetings. It manages Woburn House and its meeting facilities.

CVCP has four restricted funds, which are;
Council of Heads of Medical Schools
Overseas Research Students Award Scheme
Athena Project
Costing and Pricing Project.

Each has their own unique functions, and the purpose of each fund is outlined in note 13 of the accounts.

Review of Activities

As part of CVCP's policy of looking to the future it will be launching a new name, identity and corporate plan on 1 December 2000.

On the 1 August 1999 CVCP amended its memorandum and articles of association, allowing for the formation of three national bodies: a National Council for England and Northern Ireland; a National Council for Scotland, being the Committee of Scottish Higher Education Principals (COSHEP); and a National Council for Wales, being the Higher Education Wales (HEW).

Trustees' Report (continued)

For the year ended 31 July 2000

CVCP administered the funds of COSHEP from 1 August 1999. COSHEP retains its legal identity as a recognised body in Scotland, and separate accounts for it are prepared for the year ended 31 July 2000 and filed with the Inland Revenue.

It was a dynamic year for CVCP, with the development of a new identity and corporate plan. The other main activities, which CVCP undertook during 1999/2000, are outlined below;

- Made its submission to the Spending Review 2000. The keynote was that an educational system capable of maintaining quality and supporting the UK Global Market would be sustained only with a boost in levels of investment.
- Published 'Recruitment and Retention in Employment in UK Higher Education' in conjunction with UCEA, HEFCE, SCOP et al. The report produced evidence that Universities and Colleges are facing long term vacancies due to problems of recruiting and keeping staff.
- Produced 'Business of Borderless Education'. This report focussed on global distance learning especially web-delivered learning.
- Established a Funding Options Review Group to examine the requirements of UK Higher Education institutions and the students that benefit from them.
- Launched the Access Advisory Project, which offers confidential and impartial consultancy to universities and colleges on widening participation.
- Produced a revised 'Statement of Recommended Practice Accounting for Further and Higher Education' (SORP).
- Organised a number of conferences on issues of significance to further and higher education such as Intellectual Property Rights in Higher Education
- Strengthened co-operation between universities and NHS. Part of this co-operation was the production of 'Good Practice in the Recruitment and Retention of Nurses in Higher Education Institutions'.
- Saw the first awards of the Athena project being made available. These totalled almost £50,000.
- Set up the Technology Transfer Task Group. The group will explore ways in which CVCP can contribute to developing good practice in universities.
- Continued to make numerous delegations to meet Government Ministers in a number of Whitehall departments and submit evidence on issues of importance to higher and further education.

CVCP works closely with specialist agencies within the sector. These are: the Universities and Colleges Staff Development Agency (UCoSDA); The Universities and Colleges Employers Association (UCEA); The Universities and Colleges Admissions Service (UCAS); The Higher Education Statistics Agency (HESA); The Higher Education Career Service Unit (CSU); close links are also maintained with the Quality Assurance Agency (QAA) and the Institute of Learning and Teaching (ILT).

Trustees' Report (continued)

For the year ended 31 July 2000

Political and Charitable Donations

The company made no political or charitable donations in 1999/2000.

Reserves Policy

CVCP's current reserves policy is to maintain reserves of some six months running costs (excluding restricted funds).

CVCP believes that this is an appropriate level of reserves for the following reasons:-

- To ensure sufficient funds are available to meet current commitments when income streams are erratic.
- To ensure services can be maintained in the event of an unexpected loss of income
- To provide sufficient funds for an orderly winding up in the event that CVCP should cease trading

Auditors

CVCP appointed Horwath Clark Whitehill as auditors with effect from the 1998/99 audit. They have expressed their willingness to continue in office as auditors, and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the UK Board and signed on behalf of the UK Board on 27 October 2000.



Diana Warwick
Chief Executive



John Bull
Honorary Treasurer

Statement of Trustees' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group and the incoming resources and application of resources for that period. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards and statements of recommended practice have been followed;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the company and the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors Report to the Members of the Committee of Vice-Chancellors and Principals of the Universities of the United Kingdom (CVCP)

We have audited the financial statements on pages 8 – 22, which have been prepared under the accounting policies set out on pages 11 and 12.

Respective Responsibilities of Directors and Auditors

As described on page 6, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

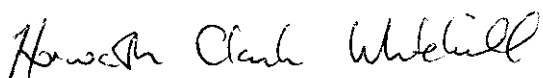
Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes an 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 directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company'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.

Unqualified Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 31 July 2000 and of the incoming resources and application of resources, including the income and expenditure of the company and the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Horwath Clark Whitehill
Chartered Accountants and Registered Auditors

27 October 2000

**Statement of Financial Activities
For the year ended 31 July 2000**

Income and expenditure	Note	Unrestricted	Restricted	Total	Total
		£	£	2000 £	1999 £
Incoming resources					
Contributions from universities		2,888,548		2,888,548	3,124,301
Less: deferred income				-	(332,277)
Investment income	3	137,466		137,466	139,708
Publications		9,343		9,343	12,325
Other income		530,670		530,670	194,270
Covenanted income from subsidiary		87,000		87,000	75,086
Other Covenanted income		380,000		380,000	380,000
COSHEP		340,550		340,550	-
Council of Heads of Medical Schools Overseas Research Students Award Scheme			156,372	156,372	159,884
Athena project			138,507	138,507	122,092
Costing & Pricing project			176,127	176,127	131,538
			51,811	51,811	41,485
Total incoming resources		<u>4,373,577</u>	<u>522,817</u>	<u>4,896,394</u>	<u>4,048,412</u>
Resources expended					
Direct charitable expenditure		2,760,739		2,760,739	2,284,550
COSHEP		519,842		519,842	-
Restricted funds:					
Council of Heads of Medical Schools Overseas Research Students Award Scheme			169,863	169,863	155,705
Athena project			136,340	136,340	113,703
Costing & Pricing project			111,329	111,329	86,158
			51,811	51,811	41,485
		3,280,581	469,343	3,749,924	2,681,601
Management and administration		<u>954,074</u>		<u>954,074</u>	<u>817,933</u>
Total resources expended	4	<u>4,234,655</u>	<u>469,343</u>	<u>4,703,998</u>	<u>3,499,534</u>
Net movements in funds	2	138,922	53,474	192,396	548,878
Total funds brought forward		<u>2,021,526</u>	<u>94,494</u>	<u>2,116,020</u>	<u>1,567,142</u>
Total funds carried forward	13	<u>2,160,448</u>	<u>147,968</u>	<u>2,308,416</u>	<u>2,116,020</u>

All activities are continuing. There are no gains or losses other than those disclosed in the statement of financial activities.

The notes on pages 11 to 22 form part of these financial statements

Balance Sheet
As at 31 July 2000

	Note	2000	1999
		£	£
Fixed assets			
Tangible assets	8	106,286	70,038
Investments	9	600,000	600,000
		<u>706,286</u>	<u>670,038</u>
Current assets			
Debtors	10	410,730	626,821
Investments - short-term deposits		1,450,000	1,100,000
Cash at bank and in hand		<u>436,369</u>	<u>445,380</u>
		2,297,099	2,172,201
Creditors: Amounts falling due within one year	11	(670,855)	(701,888)
Net current assets		<u>1,626,244</u>	<u>1,470,313</u>
Total assets less current liabilities		2,332,530	2,140,351
Creditors: Amounts falling due after more than one year			
Provisions for liabilities and charges	12	<u>(24,114)</u>	<u>(24,331)</u>
		<u>2,308,416</u>	<u>2,116,020</u>
Funds			
Restricted funds		147,968	94,494
Unrestricted funds		<u>2,160,448</u>	<u>2,021,526</u>
	13	<u>2,308,416</u>	<u>2,116,020</u>

Approved by the Board of Directors on 27 October 2000 and signed on behalf of the Board:



Diana Warwick
Chief Executive



John Bull
Honorary Treasurer

Cash Flow Statement
For the year ended 31 July 2000

Reconciliation of net incoming resources to net cash inflow from operating activities

	2000	1999
	£	£
Net incoming resources	192,396	548,878
Decrease in provisions	(217)	(10,138)
Depreciation charges	78,057	60,403
Loss on sale of tangible fixed assets	-	1,047
Decrease/(Increase) in debtors	216,091	(365,292)
(Decrease)/Increase in creditors	(31,033)	76,849
Net cash inflow from operating activities	455,294	311,747

Cash Flow Statement

Net Cash inflow from operating activities	455,294	311,747
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Capital expenditure and financial investments

Payment to acquire tangible fixed assets	(114,305)	(66,336)
Net cash inflow before use of liquid resources	340,989	245,411

Management of liquid resources and financing

Increase in short term investments	(350,000)	(200,000)
(Decrease)/Increase in cash for the year	(9,011)	45,411

Analysis of changes in net cash

	1999	cash	31 July
	£	flow	2000
		£	£
Cash at bank and in hand	445,380	(9,011)	436,369

Notes to the Accounts

For the year ended 31 July 2000

1. Accounting Policies

The financial statements are prepared in accordance with the Statement of Recommended Practice "Accounting by Charities" and applicable accounting standards.

The company owns the whole of the share capital of CVCP Property Management Limited, which owns 100% of the share capital of CVCP Services Limited which was dormant in the year ended 31 July 2000. In the opinion of the Directors, the activities of these companies are immaterial and therefore consolidated accounts are not prepared. The company results of CVCP Property Management Limited and its net asset position at balance sheet date are set out in note 15 of the accounts.

a) Accounting convention

The financial statements are prepared under the historical cost convention.

b) Fixed assets

Tangible fixed assets are stated at cost less depreciation. A full year's depreciation is charged in the year of acquisition and none in the year of disposal.

The rates of depreciation are as follows:

Furniture and equipment	over four years
Office technology	over three years

c) Investments

Investments held as fixed assets are stated at the trustees' best estimate of their value at the year end.

d) Leases

Rental costs under operating leases are charged to the statement of financial activities in equal amounts over the period of the leases.

e) Pensions

Retirement benefits are funded by contributions by the company and its employees to pension schemes, which are financially separate from the company. Pension costs are assessed in accordance with the advice of the actuary based on the latest actuarial valuation of the schemes, and are accounted for on the basis of charging the costs of providing pensions over the period during which the company benefits from the employees' services.

Notes to the Accounts (continued)

For the year ended 31 July 2000

Accounting Policies (continued)

f) Income recognition

All income is recognised in the statement of financial activities when the conditions for receipt have been met and there is reasonable assurance of receipt.

g) Allocation of costs

The charity's operating costs include staff costs and other related costs. Such costs are allocated between direct charitable expenditure, and management and administration. Staff costs are allocated according to the costs of staff working directly in the relevant departments and other costs according to the department concerned.

h) Direct charitable expenditure

Direct charitable expenditure includes all expenditure directly related to the objects of the charity. This also includes publications and publicity. CVCP receives its core funding from subscriptions from the universities. It therefore does not have a Fundraising Department.

i) Management and administration

Management and administration costs represent expenditure incurred in the management of the Charity's assets, organisational administration and compliance with statutory requirements. During the year the method of allocating these costs was reviewed and changed. To ensure comparability year on year, the comparative figures in these accounts have been restated.

j) Committee of Scottish Higher Education Principals(COSHEP)

On 1 August 1999 CVCP amended its memorandum and articles of association allowing for the formation of national bodies, a National Council for England and Northern Ireland; a National Body for Scotland (COSHEP) and a National Council for Wales (HEW).

The funds of these National Councils comprise the unrestricted funds of CVCP. CVCP has administered the funds of COSHEP from 1 August 1999. COSHEP retains its own legal identity as a recognised body in Scotland, and separate accounts for it are prepared and filed with the Inland Revenue. For accounting purposes it is treated as a branch of CVCP, in accordance with its legal status.

The amounts in these accounts attributable to COSHEP and separately identified in the Statement of Financial Activities were incoming resources of £340,550, including the balance of funds transferred to CVCP at the beginning of the year of £76,524. In completing its work CVCP has spent these funds and an additional amount of £179,292, a total of £519,842, to support the activities of COSHEP.

Notes to the Accounts (continued)
For the year ended 31 July 2000

2. Net incoming resources	2000	1999
	£	£
Is after charging:		
Rents payable in respect of operating leases	423,159	406,394
Depreciation:		
Furniture and equipment	15,514	7,471
Office technology	62,543	52,932
Auditors' remuneration	10,398	10,398

3. Investment income

Interest receivable	137,466	139,708
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4. Analysis of resources expended

a. Year ended 31 July 2000

Direct charitable	Staff Cost £	Other Cost £	Depreciation £	Total £
Research and consultancy	748,558	911,466		1,660,024
CUCO	37,412	61,227		98,639
Committee of European Rectors	33,052	27,150		60,202
Purchasing project		93,592		93,592
Political and parliamentary	353,084	355,921		709,005
Publications and publicity	60,894	78,383		139,277
COSHEP	306,889	212,953		519,842
Council of Heads of Medical Schools	75,293	94,570		169,863
Overseas Research Students Award Scheme	89,177	47,163		136,340
Athena project	3,417	107,912		111,329
Costing & pricing project	47,281	4,530		51,811
	<u>1,755,057</u>	<u>1,994,867</u>		<u>3,749,924</u>

Management and administration

Wages and salaries	387,847			387,847
Legal & professional		157,312		157,312
Rentals under operating lease (as apportioned)		112,264		112,264
Other office costs		218,594	78,057	296,651
	<u>387,847</u>	<u>488,170</u>	<u>78,057</u>	<u>954,074</u>
Total resources expended	<u>2,142,904</u>	<u>2,483,037</u>	<u>78,057</u>	<u>4,703,998</u>

Notes to the Accounts (continued)
For the year ended 31 July 2000

4. Analysis of resources expended

b. Year ended 31 July 1999

	Staff Cost £	Other Costs £	Depreciation £	Total £
Direct charitable				
Research and consultancy	690,180	493,246		1,183,426
CUCO	35,514	53,395		88,909
Committee of European Rectors	33,994	33,867		67,861
Purchasing project		95,000		95,000
Political and parliamentary	391,648	335,110		726,758
Publications and publicity	55,706	66,889		122,595
Council of Heads of Medical Schools	75,881	79,824		155,705
Overseas Research Students Award Scheme	82,506	31,197		113,703
Athena project	-	86,158		86,158
Costing & pricing project	33,461	8,025		41,486
	<u>1,398,890</u>	<u>1,282,711</u>		<u>2,681,601</u>

Management and administration

Wages & salaries	318,394			318,394
Legal & professional		64,683		64,683
Rentals under operating lease (apportioned)		99,340		99,340
Other office costs		275,113	60,403	335,516
	<u>318,394</u>	<u>439,136</u>	<u>60,403</u>	<u>817,933</u>
Total resources expended	<u>1,717,284</u>	<u>1,721,847</u>	<u>60,403</u>	<u>3,499,534</u>

Included in management and administration costs are the cost of audit and other financial services as follows:

	2000 £	1999 £
Payments to Auditors - Audit services	10,398	10,398
- Other services	57,845	-
	<u>68,243</u>	

Notes to the Accounts (continued)
For the year ended 31 July 2000

5. Analysis of staff costs

	2000 £	1999 £
Total Staff costs including full and part-time employees were:		
Salaries and wages	1,816,718	1,461,869
Social security costs	141,225	110,122
Pensions	184,961	145,293
	<u>2,142,904</u>	<u>1,717,284</u>

	No.	No.
The average number of employees throughout the year was:		
Direct charitable	49	38
Management and administration	18	17
	<u>67</u>	<u>55</u>

The number of employees whose emoluments exceeded £40,000 (excluding employer's pension contribution) were:

£40,000 - £50,000	4	1
£50,001 - £60,000	2	1
£60,001 - £70,000	1	1
£70,001 - £80,000	-	-
£80,001 - £100,000	1	1
	<u>1</u>	<u>1</u>

The total emoluments paid to the chief executive were £89,138.

6. Trustee's emoluments

No trustees received any remuneration for their services.

During the year total expenses reimbursed to one director amounted to £18,655 (1999: £19,840). This principally represented travel costs and rent and management of the Chairman's flat.

CVCP have reviewed these costs, and the cost of the provision of the flat is less than would otherwise have been incurred in using hotel accommodation.

7. Taxation

CVCP is a charity and has no trading activities and thus under the Income and Corporation Taxes Act SS 505 and 506 is not liable for any corporation or income tax.

Notes to the Accounts (continued)
For the year ended 31 July 2000

8. Tangible fixed assets

	Furniture and equipment £	Office technology £	Total £
Cost			
At 1 August 1999	29,883	182,193	212,076
Additions	32,173	82,132	114,305
At 31 July 2000	62,056	264,325	326,381
Accumulated depreciation			
At 1 August 1999	11,035	131,003	142,038
Charge for the year	15,514	62,543	78,057
At 31 July 2000	26,549	193,546	220,095
Net book value			
At 31 July 2000	35,507	70,779	106,286
At 31 July 1999	18,848	51,190	70,038

9. Investments held as fixed assets

	2000 £	1999 £
CVCP Properties plc ordinary shares (£1 each)	50,000	50,000
CVCP Properties plc preferences shares (£1 each)	550,000	550,000
	600,000	600,000

Investments held as fixed assets are stated at the trustees' best estimate of their value at the year end.

Notes to the Accounts (continued)
For the year ended 31 July 2000

10. Debtors	2000	1999
	£	£
Trade debtors	84,261	31,591
Amounts due from subsidiary undertakings	87,000	40,367
Other debtors	153,356	458,486
Prepayments	86,113	96,377
	<u>410,730</u>	<u>626,821</u>

11. Creditors: Amounts falling due within one year	2000	1999
	£	£
Trade creditors	143,657	113,927
Taxation and social security	47,422	40,907
Other creditors	109,850	16,530
Accruals and deferred income	369,926	530,524
	<u>670,855</u>	<u>701,888</u>

12. Provisions for liabilities and charges

SAUL pension provision

Balance at 1 August 1999	24,331	34,469
Income and expenditure	(217)	(10,138)
Balance at 31 July 2000	<u>24,114</u>	<u>24,331</u>

Notes to the Accounts (continued)
For the year ended 31 July 2000

13. Movement in funds

	At start of year	Incoming resources	Resources expended	Transfers	At end of year
	£	£	£	£	£
Unrestricted funds:					
Designated funds					
Share valuation fund	600,000	-	-	-	600,000
Central CVCP reserve	1,421,526	4,373,577	(4,234,655)	-	1,560,448
	<u>2,021,526</u>	<u>4,373,577</u>	<u>(4,234,655)</u>	<u>-</u>	<u>2,160,448</u>
Restricted funds:					
Council of Heads of Medical Schools	38,119	156,372	(169,863)	-	24,628
Overseas Research Students Awards Scheme	10,995	138,507	(136,340)	-	13,162
Athena project	45,380	176,127	(111,329)	-	110,178
Costing & Pricing project		51,811	(51,811)	-	0
	<u>94,494</u>	<u>522,817</u>	<u>(469,343)</u>	<u>-</u>	<u>147,968</u>
Total funds	<u>2,116,020</u>	<u>4,896,394</u>	<u>(4,703,998)</u>		<u>2,308,416</u>

The share valuation fund relates to shares held in CVCP Properties plc.

The Council of Heads of Medical Schools acts as the authoritative voice for Heads/ Deans of University Faculties of Medicine and Medical Schools.

The Overseas Research Students Award Scheme provides scholarships for international post-graduate students.

The Athena project was set up to increase women's participation in science and engineering.

The costing and pricing project was set up to encourage universities to develop effective costing and pricing mechanisms.

Notes to the Accounts (continued)
For the year ended 31 July 2000

14. Operating lease commitments

At the year end, the Company was committed to making the following payments during the next year in respect of operating leases:

	2000 £	1999 £
Leases which expire:		
Within two to five years (office equipment)	31,955	31,955
After five years (land and buildings)	423,159	374,439
	<u>455,114</u>	<u>406,394</u>

15. Subsidiaries

The charity owns 100% of the share capital of CVCP Property Management Ltd, which owns 100% of the share capital of CVCP Services Ltd.

Subsidiary undertakings	Investment at Cost
	£
CVCP Property Management Ltd Meetings and conferences	2
CVCP Services Ltd No trading activities in the year	2

Both investments have been written down to zero in the accounts of the parent company.

The directors own the whole share capital of CVCP Property Management Limited, a company registered in England with the charity receiving the majority of surpluses earned by the company as a covenanted donation.

The trading activity of the company is the management of income and expenditure off the conference centre and meeting rooms at Woburn House.

Consolidated accounts have not been prepared as in the opinion of the directors the affairs of the subsidiary undertaking are not material in relation to the affairs of CVCP

Summary trading results for the year ended 31 July 2000 and 1999 are shown below.
Audited accounts have been filed with the Registrar of Companies.

Notes to the Accounts (continued)
For the year ended 31 July 2000

15. Subsidiaries (continued)

	2000 £	1999 £
Profit and loss account		
Turnover	276,518	221,982
Administrative expenses	(126,516)	(114,220)
Staff costs	<u>(56,158)</u>	<u>(54,762)</u>
Operating profit	93,844	53,000
Interest received	<u>688</u>	<u>661</u>
Profit on ordinary activities before taxation	94,532	53,661
Tax on ordinary activities	(753)	(738)
Amount covenanted to CVCP (UUK)	(87,000)	(48,606)
Balance brought forward	1,910	(2,407)
Balance carried forward	<u>8,689</u>	<u>1,910</u>
Net assets	<u>8,691</u>	<u>5,664</u>

Notes to the Accounts (continued)

For the year ended 31 July 2000

16. Pensions

a) Universities Superannuation Scheme (USS)

Principal accounting policies

The company participates in the Universities Superannuation Scheme, a defined benefit scheme which is externally funded and contracted out of the State Earnings Related Pension Scheme. The fund is valued every three years by a professionally qualified independent actuary using the projected unit method, the rates of contribution payable being determined by the trustee on the advice of the actuary. In the intervening years the actuary reviews the progress of the scheme. Pension costs are assessed in accordance with the advice of the actuary based on the latest actuarial valuation of the scheme and are accounted for on the basis of charging the cost of the pension over the period during which the institution benefits from the employees' services.

Notes to the accounts

The latest actuarial valuation of the scheme was at 31 March 1999. The assumptions which have the most significant effect on the result of the valuation are those relating to the rate of return on investments (i.e. the valuation rate of interest) and the rates of increase in salary and pensions. In relation to past service liabilities the financial assumptions were derived from market yields prevailing at valuation date. It was assumed that the valuation rate of interest would be 4.5% per annum, salary increases would be 3.6% per annum and pensions would increase by 2.6% per annum. In relation to future service liabilities it was assumed that the valuation rate of interest would be 5.5% per annum, including an additional investment return assumption of 1% per annum, salary increases would be 3.5% per annum and pensions would increase by 2.5% per annum. The valuation was carried out using the projected unit method.

At the date of the latest actuarial valuation the market value of the assets of the scheme was £18,870 million (including an estimated £55 million in respect of outstanding bulk transfer payments due) and the value of the past service liabilities was £17,427 million. The assets therefore were sufficient to cover 108% of the benefits which had accrued to members after allowing for expected increases in future earnings.

The total pension costs for the company were £134,187 (1999 - £127,478). The contribution rate payable by the company was 14% of pensionable salaries. The actuary to the Universities Superannuation Scheme has confirmed that it is appropriate to take the pensions costs in the company's accounts to be equal to the actual contributions paid during the year. In particular, the contribution rate recommended following the 1999 valuation has regard to the surplus disclosed, the benefit improvements introduced subsequent to the valuation and the need to spread the surplus in a prudent manner over the future working lifetime of current scheme members.

Notes to the Accounts (continued)

For the year ended 31 July 2000

b) Superannuation Arrangements of the University of London (SAUL)

Accounting Policy

The company participates in the Superannuation Arrangements of the University of London, which is a funded defined benefit scheme. The scheme is contracted out of the State Earnings Related Pension Scheme. The scheme is valued formally every three years by professionally qualified and independent actuaries using the Projected Unit Method. Reviews of the scheme's position are carried out in the period between the valuations. The expected costs of providing the pensions is charged to the income statement so as to spread the cost over the service lives of the employees in such a way that the pension costs equals the annualised long term cash outlay.

Pension scheme - Note to the accounts

The company participates in a centralised defined benefit scheme for all qualified employees with assets held in a separate trustee-administered fund. The total cost of pension contributions for the employer was £50,774 (1999-£27,953). There has been a significant change in the charge compared to that in previous year due to a change in the basis of calculation to an approach based on taking assets at their market value. The financial assumptions have changed since the previous year, reflecting the change in method and changes in the financial market since the last valuation.

The scheme is subject to triennial valuation by professionally qualified and independent actuaries. The last available valuation was carried out at 31 March 1999 using the projected unit credit method in which the actuarial liability makes allowances for projected earnings. The following assumptions were used:-

Investment return	4.5% per annum
General level of salary growth	4.1% per annum*
Pension increases	2.6% per annum

* excluding an allowance for promotional increases.

The actuarial valuation applies to the scheme as a whole and does not identify surpluses or deficits applicable to individual Employers. As a whole, the market value of the schemes assets was £846.6 million representing 120% of the liability for benefits after allowing for expected future increases in salaries.

17. Members

The charity is incorporated as a private company limited by guarantee having no share capital and, in accordance with the Memorandum of Association, every member is liable to contribute a sum of £1 in the event of the company being wound up. At 31 July 2000 there were 125 members.