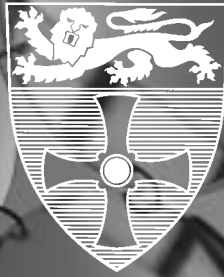


UNIVERSITY OF
NEWCASTLE UPON TYNE



FINANCIAL STATEMENTS

2001-02



Contents

	Page
Report of the Honorary Treasurer	2
Report of the Independent Auditors	3
Responsibilities of the University's Council	4
Corporate Governance	5
Statement of Accounting Policies	6-7
Consolidated Income and Expenditure Account	8
Balance Sheets	9
Consolidated Cash Flow Statement	10
Notes to the Accounts	11-20
Five-year Summary	21

Report of the Honorary Treasurer for the year ended 31 July 2002

It gives me pleasure to report that, for the year ended 31 July 2002, the strong growth in income, which was evident last year, has been more pronounced for this year, with total income up by some 12 per cent. Whilst some of this growth was attributable to non-recurrent items, it is encouraging to report that growth in income from both of the core activities of teaching and research was up by 12 per cent.

Despite this growth in income, the University recorded a deficit for the year of £2.6 million, after charging voluntary severance costs of some £8.0 million, and crediting a surplus on the sale of an investment of £5.5 million. The underlying position therefore, is breakeven.

The University adopted a new financial policy, which was operative for 2001-02, under which 3 per cent of income would be applied for non-recurrent items, particularly targeted at investment in those areas, which would yield a growth in income. In order to implement this policy the recurrent expenditure budget had to be reduced in real terms, and this was achieved primarily through the application of a voluntary severance scheme. The cost of the voluntary severance scheme should be recovered over the next two to three years.

During the year a great deal of time was invested in implementing a restructuring scheme, the primary objective of which was to position the University for growth in all areas of activity in the coming years. A business plan for the next five years was prepared and formed part of an application to the Higher Education Funding Council for England for funds to support this scheme. At the time of writing the Higher Education Funding Council for England have indicated informally that they will make a grant over the years of the plan totalling some £3.8 million. This is excellent news.

In the year under review, Novocastra Laboratories Limited, a very successful spin-out company, was sold to an Australian company. The University held a small stake in the company and the sale yielded a receipt of some £5.5 million. It is hoped that this example will encourage others to exploit Intellectual Property Rights (IPR) in this way yielding benefits to those involved, the University and society. During the year the University reviewed its arrangements for IPR exploitation and has put in place improvements in this area.

The fall in values recorded in the stock market has affected the University in two ways. Firstly, the income available from our endowed funds, which is a percentage of the value of the fund, has been reduced. This has compounded pressure on our recurrent budget. Secondly, the value of the funds held by the local superannuation scheme also fell. Should these falls in value assume permanence the University would have to consider how to change its financial strategy in relation to these funds.

Our capital spending programme, largely funded by grants, continued throughout the year with two schemes – the new Medical School lecture theatre and the Henry Wellcome Building – being worthy of particular note. Contracts for two further new buildings, both for research, were placed during the year and are to be completed by early 2004. It will be necessary to borrow to complete the funding needed for these buildings and outline agreement with our bankers has been obtained. Investment in these facilities is essential if our research activities are to continue to expand.

Achievement of the business plan for the next five years, referred to earlier, will present the University with a major challenge, but will carry with it the potential for substantial rewards.

D K Wilson
HONORARY TREASURER

Independent Auditors' Report to the Council of the University of Newcastle upon Tyne for the year ended 31 July 2002

We have audited the financial statements which comprise the consolidated income and expenditure account, the statement of consolidated total recognized gains and losses, the balance sheets, the consolidated cash flow statement and the related notes which have been prepared under the historical cost convention as modified by the revaluation of endowment asset investments and the accounting policies set out in the statement of accounting policies.

Respective Responsibilities of the Council and Auditors

The Council's responsibility for preparing the financial statements is in accordance with the Accounts Direction issued by the Higher Education Funding Council for England, the Statement of Recommended Practice – Accounting for Further and Higher Education Institutions, applicable United Kingdom law and accounting standards as 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 United Kingdom Auditing Standards issued by the Auditing Practices Board.

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 Institutions. We also 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 Higher Education Funding Council for England. 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 or material inconsistencies with the financial statements. The other information comprises the Treasurer's report and the corporate governance statement.

Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board, and the Audit Code of Practice issued by the Higher Education Funding Council for England. 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 Council in the preparation of the financial statements, and of whether the accounting policies are appropriate to the institution'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 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 2002, and of the deficit of income over expenditure, recognized gains and losses and cashflows of the institution and the group for the year then ended and have been properly prepared in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education Institutions;
- ii. in all material respects, income from the Higher Education Funding Council for England and the Teacher Training Agency 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;
- iii. in all material respects, income has been applied in accordance with the institution's Statutes and where appropriate in accordance with the Financial Memorandum with the Higher Education Funding Council for England.

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Newcastle upon Tyne
4 November 2002

Responsibilities of the University's Council

In accordance with the University's Statutes, the Council is responsible for the administration and management of the affairs of the University and is required to present audited financial statements for each financial year.

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

In causing the financial statements to be prepared, the Council has ensured 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.

The Council has taken reasonable steps to:

- ensure that funds from the Higher Education Funding Council for England 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 the Funding Council 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 University and prevent and detect fraud;
- secure the economical, efficient and effective management of the University's resources and expenditure.

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

- clear definitions of, and the authority delegated to, heads of academic and administrative departments;
- a comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- clearly defined and formalized requirements for approval and control of expenditure;
- comprehensive Financial Regulations, detailing financial controls and procedures, approved by the Audit Committee and Finance Committee;
- a professional Internal Audit team whose annual programme is approved by the Audit Committee and endorsed by Council and whose head provides Council with a report on internal audit activity within the University and an opinion on the adequacy and effectiveness of the University's system of internal control, including internal financial control.

Any system of internal financial control can, however, only provide reasonable, but not absolute, assurance against material misstatement or loss.

Corporate Governance

The following statement is provided to enable readers of the Annual Report and Accounts of the University to obtain a better understanding of the governance and legal structure of the University.

The University endeavours to conduct its business in the spirit of the seven Principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership) and with the guidance to universities which has been provided by the Committee of the University Chairmen and its Guide for Members of Governing Bodies of Universities and Colleges in England, Wales and Northern Ireland.

The University is incorporated under statute; The Universities of Durham and Newcastle upon Tyne Act 1963. Its objectives, powers and framework of governance are set out in the Act and the supporting Statutes, contained in the Third Schedule of the Act.

The Statutes require the University to have three separate bodies, each with clearly defined functions and responsibilities, to oversee and manage its activities, as follows:

The **Council** is the executive governing body, responsible for the finance, property, investments and general business of the University, and for setting the general strategic direction of the institution.

Approximately half of its members are drawn from outside the University (described as lay members), from whom its Chairman and Deputy Chairman are appointed. Also included in its members are representatives of the staff of the University and the student body. None of the lay members receives any payment, apart from the reimbursement of expenses, for the work which they do for the University.

Council normally meets seven times each year. Membership of the Council is determined by Council after considering reports from the Council Nominating Committee. Vacancies on Council are advertised internally and nominations are considered by the Council Nominating Committee. Much of the business which the Council considers is initially routed through Committees of Council.

The **Senate** is the academic authority of the University and draws its membership entirely from the academic staff and the students of the institution. Its role is to direct and regulate the teaching and research work of the University.

The **Court** is a large, mainly formal, body. It offers a means whereby the wider interests served by the University can be associated with the institution, and provides a public forum where members of Court can raise any matters about the University. The Court meets twice a year to receive reports from the Vice-Chancellor. In addition, the Court regulates the custody and use of the common seal of the University and major changes to the constitution of the University may require the approval of the Court before they can be submitted to the Privy Council.

A majority of the members of the Court will be from outside the University, representing the local community and other designated bodies with an interest in the work of the University, but the membership also includes representatives of the staff of the University (both academic and non-academic) and the student body.

The principal academic and administrative officer of the University is the Vice-Chancellor who has a general responsibility to the Council for maintaining and promoting the efficiency and good order of the University. Under the terms of the formal Financial Memorandum between the University and the Higher Education Funding Council for England, the Vice-Chancellor is the Designated Officer of the University and in that capacity can be summoned to appear before the Public Accounts Committee of the House of Commons.

A Remuneration Committee determines the remuneration of Senior Officers and Professors.

The Audit Committee reports to Council on its assessment of internal control matters and governs the work of the internal and external auditors.

During the year 2001-02 major changes were made to the way the University is managed. The University Policy and Resources Committee and all the Spending Authorities were abolished and three new faculties and 27 schools were established.

A new Executive Board, which meets weekly to consider all material items of business and is attended by the University's Senior Officers, has commenced work.

A Strategy Board, which meets monthly and is chaired by the Chairman of Council and consists of Senior Officers, a student representative, a representative from Senate, and a lay member of Council, was introduced.

New terms of reference for the Finance Committee were agreed and a new Financial Monitoring and Budget Scrutiny Group became operational.

The Finance Committee advises the Strategy and Executive Boards and Council of financial strategies it considers appropriate and the consequences of significant investment decisions. The Committee also monitors the performance of the University's investment managers.

These Committees, and in some cases others, are formally constituted as Committees of Council with written terms of reference and specified membership, including a significant membership of lay members. Both the Council Nominating Committee and the Remuneration Committee are chaired by the Chairman of Council, and the Audit and Finance Committees are chaired by lay members of Council.

The University has, in accordance with guidance issued by the sector to the Higher Education Funding Council for England, introduced and implemented a risk management policy. The University has taken all the steps to ensure that by 31 July 2003 it will fully comply with those recommendations of the Turnbull Committee that are applicable to the University.

The University maintains a Register of Interests of members of the Council (and Senior Officers) which may be consulted by arrangement with the Registrar.

The Statutes of the University specify that the Registrar should act as Secretary of the Council. Any enquiries about the constitution and governance of the University should be addressed to the Registrar.

Statement of Accounting Policies

1. Basis of Preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education Institutions and in accordance with applicable Accounting Standards. They conform to guidance issued by the Funding Council.

2. Basis of Accounting

The financial statements are prepared under the historical cost convention as modified by the revaluation of endowment asset investments.

3. Basis of Consolidation

The consolidated financial statements consolidate the results of the University and all subsidiary undertakings for the financial year to 31 July 2002. The financial statements include the results of the following companies, Newcastle University Holdings Limited, Close House Limited, Newcastle University Ventures Limited, University of Newcastle upon Tyne Supply Company Limited and The Bio-Technology Project Limited, all of which are wholly owned by the University.

The consolidated income and expenditure account includes the University's share of the profits or losses and tax of associated undertakings and the consolidated balance sheet includes the investment in associated undertakings at the University's share of their underlying net tangible assets. Associated undertakings are those in which the University has a participating interest and a significant influence over their commercial and financial policy decisions.

The consolidated financial statements do not include the results of the Union Society as the University has no financial interest and no control or significant influence over its policy decisions.

The University Development Trust has not been consolidated as it has a separate Trustee Board which manages the funds independently of the University. The total assets of the University Development Trust at 31 March 2002 were £35.7 million on which its investment income for the year to that date was £1.2 million and in addition the trust received donations to the value of £0.6 million.

4. Recognition of Income

Income from specific endowments and donations and research grants and contracts is included to the extent of the related expenditure incurred during the year, together with any related contributions towards overhead costs. All income from short-term deposits and general endowment asset investments is credited to the income and expenditure account in the period in which it is earned.

Recurrent grants from the Funding Councils are recognized in the period in which they are receivable.

Non-recurrent grants from Funding Councils or other bodies receivable in respect of the acquisition or construction of fixed assets are treated as deferred capital grants and amortized in line with depreciation over the life of the assets.

5. Maintenance of Premises

The University has a rolling long-term maintenance plan which is reviewed periodically and forms the basis of the ongoing maintenance of the estate. The cost of long-term and routine corrective maintenance is charged to the income and expenditure account as incurred.

6. Foreign Currency Translation

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at year end rates or, where there are related forward foreign exchange contracts, at contract rates. The resulting exchange differences are dealt with in the determination of income and expenditure for the financial year.

7. Leases

Leasing agreements that transfer to the University substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged to the income and expenditure account in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease term or the useful economic lives of equivalent owned assets.

Costs under operating leases are charged on a straight line basis over the lease term.

8. Tangible Fixed Assets

a. Land and Buildings

Land and Buildings are stated at cost. Freehold land is not depreciated. Buildings are depreciated over their expected useful lives to the University of 50 years and leasehold land over the life of the lease.

Where buildings are acquired with the aid of specific grants they are capitalized and depreciated as above. The related grants are treated as deferred capital grants and released to income over the expected useful life of the buildings on a basis consistent with the depreciation policy.

Finance costs which are directly attributable to the construction of land and buildings are not capitalized as part of the cost of those assets.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable.

Buildings under construction are accounted for at cost, based on the value of architects' certificates and other direct costs incurred to 31 July. They are not depreciated until they are brought into use.

b. Equipment

Equipment costing less than £20,000 per individual item or group of related items is written off to the income and expenditure account in the year of acquisition. All other equipment is capitalized.

Capitalized equipment is stated at cost and depreciated over its expected useful life, as follows:

General Equipment	– 4 years
Equipment acquired for specific research projects	– project life (generally 3 years)
Leased Equipment	– period of lease

Where equipment is acquired with the aid of specific grants it is capitalized and depreciated as above. The related grant is credited to a deferred capital grant account and released to the income and expenditure account over the expected useful life of the related equipment or the period of the grant in respect of specific research projects.

9. Investments

Fixed asset investments that are not listed on a recognized stock exchange are carried at historical cost less any provision for impairment in their value.

Endowment asset investments are included in the Balance Sheet at market value.

Current asset investments are included at the lower of cost and net realizable value.

10. Stocks

Stocks are valued at the lower of cost and net realizable value. Where necessary, provision is made for obsolete, slow moving and defective stocks.

11. Provisions

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

12. Pension Schemes

The two principal pension schemes for the University's staff are the Universities Superannuation Scheme (USS) and the University of Newcastle upon Tyne Retirements Benefits Plan (1971) which is an Exempt Approved Scheme under the Finance Act 1970. The schemes are defined benefit schemes which are externally funded and contracted out of the State Earnings-Related Pension Scheme. The funds are valued every three years by professionally qualified independent actuaries using the projected unit method, the rates of contribution payable being determined by the trustees on the advice of the actuaries. In the intervening years, the actuaries review the progress of the schemes. Pension costs are assessed in accordance with the advice of the actuaries, based on the latest actuarial valuations of the schemes and are accounted for on the basis of charging the cost of providing pensions over the period during which the institution benefits from the employees' services.

A small number of staff remain in other pension schemes.

The University has taken advantage of the transitional adoption arrangements allowed under FRS 17 and its effect is disclosed by way of a note to the accounts.

13. Taxation Status

The University is an exempt charity within the meaning of Schedule 2 of the Charities Act 1993 and as such is a charity within the meaning of Section 506(l) of the Income and Corporation Taxes Act (ICTA) 1988. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by Section 505 of the ICTA 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes. The University receives no similar exemption in respect of Value Added Tax (VAT).

The University's subsidiary companies are subject to corporation tax and VAT in the same way as any commercial organization.

During the year the University has adopted FRS 19 'Deferred Tax' in the financial statements. The adoption of the new standard represents a change in accounting policy but has nil effect on the financial statements.

14. Cash Flow and Liquid Resources

Cash flows comprise increases or decreases in cash. Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice 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, government securities and loan stock held as part of the University's treasury management activities. They exclude any such assets held as endowment asset investments.

Consolidated Income and Expenditure Account for the year ended 31 July 2002

	Note	2002 £000	2001 £000
INCOME			
Funding Council grants	1	76,385	67,924
Academic fees and support grants	2	31,256	27,842
Research grants and contracts	3	50,747	45,080
Other operating income	4	52,000	44,685
Endowment income and interest receivable	5	2,541	3,816
Total income		<u>212,929</u>	<u>189,347</u>
EXPENDITURE			
Staff costs	6	119,994	111,647
Staff severance scheme		7,998	-
Total staff costs		<u>127,992</u>	<u>111,647</u>
Other operating expenses	7	86,432	72,681
Depreciation	10	5,524	3,715
Interest payable	8	1,085	1,259
Total expenditure	9	<u>221,033</u>	<u>189,302</u>
(Deficit) / surplus on continuing operations after depreciation of fixed assets at valuation and before tax		(8,104)	45
Profit on disposal of investment		5,534	-
(Deficit) / surplus on continuing operations after depreciation of fixed assets at valuation and disposals of assets but before tax		<u>(2,570)</u>	<u>45</u>
Taxation		-	-
(Deficit) / surplus on continuing operations after depreciation of fixed assets at valuation, disposals of assets and tax		<u>(2,570)</u>	<u>45</u>
NOTE: ALLOCATION OF (DEFICIT) / SURPLUS FOR THE YEAR			
Transfers to reserves:			
(from) / to capital expenditure	19	(1,870)	2,229
from departments	19	(10,328)	(3,157)
to central reserves	19	9,628	973
		<u>(2,570)</u>	<u>45</u>

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

Statement of Consolidated Total Recognized Gains and Losses for the year ended 31 July 2002

	Note	2002 £000	2001 £000
(Deficit) / surplus on continuing operations after depreciation of fixed assets at valuation, disposals of assets and tax		(2,570)	45
Depreciation of endowment asset investments	18	(4,893)	(4,651)
Endowment income retained for the year	18	(490)	(960)
Net additions of endowments	18	452	2,718
TOTAL RECOGNIZED LOSSES RELATING TO THE YEAR		<u>(7,501)</u>	<u>(2,848)</u>
Reconciliation:			
Opening reserves and endowments		72,834	75,682
Total recognized losses for the year		<u>(7,501)</u>	<u>(2,848)</u>
Closing reserves and endowments		<u>65,333</u>	<u>72,834</u>

There is no difference between reported and historical cost surpluses and deficits.

Balance Sheets as at 31 July 2002

	Note	CONSOLIDATED		UNIVERSITY	
		2002 £000	2001 £000	2002 £000	2001 £000
FIXED ASSETS					
Tangible assets	10	112,372	106,835	112,372	106,835
Investments	11	56	56	61	61
		<u>112,428</u>	<u>106,891</u>	<u>112,433</u>	<u>106,896</u>
ENDOWMENT ASSET INVESTMENTS	12	<u>24,923</u>	<u>29,854</u>	<u>24,923</u>	<u>29,854</u>
CURRENT ASSETS					
Stocks and stores in hand		89	90	81	81
Debtors	13	28,022	24,383	28,167	25,251
Investments		30,000	26,000	30,000	26,000
Cash at bank and in hand		4,041	4,362	3,452	3,596
		<u>62,152</u>	<u>54,835</u>	<u>61,700</u>	<u>54,928</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	14	<u>(42,334)</u>	<u>(39,355)</u>	<u>(41,904)</u>	<u>(39,231)</u>
NET CURRENT ASSETS		<u>19,818</u>	<u>15,480</u>	<u>19,796</u>	<u>15,697</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>157,169</u>	<u>152,225</u>	<u>157,152</u>	<u>152,447</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	15	<u>(15,630)</u>	<u>(16,507)</u>	<u>(15,630)</u>	<u>(16,507)</u>
PROVISIONS FOR LIABILITIES AND CHARGES	16	<u>(5,031)</u>	<u>-</u>	<u>(5,031)</u>	<u>-</u>
NET ASSETS		<u>136,508</u>	<u>135,718</u>	<u>136,491</u>	<u>135,940</u>
DEFERRED CAPITAL GRANTS	17	<u>71,175</u>	<u>62,884</u>	<u>71,175</u>	<u>62,884</u>
ENDOWMENTS					
Specific	18	22,316	26,677	22,316	26,677
General	18	2,607	3,177	2,607	3,177
		<u>24,923</u>	<u>29,854</u>	<u>24,923</u>	<u>29,854</u>
RESERVES					
General Reserve	19	<u>40,410</u>	<u>42,980</u>	<u>40,393</u>	<u>43,202</u>
TOTAL FUNDS		<u>136,508</u>	<u>135,718</u>	<u>136,491</u>	<u>135,940</u>

The financial statements on pages 6–20 were approved by the Council on 4 November 2002 and signed on its behalf by:

C R EDWARDS, Vice-Chancellor

D K WILSON, Honorary Treasurer and Chairman of Finance Committee

H B FARNHILL, Bursar

Consolidated Cash Flow Statement for the year ended 31 July 2002

	Note	2002 £000	2001 £000
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	21	(4,158)	(831)
Returns on investments and servicing of finance	22	1,293	1,632
Capital expenditure and financial investment	23	<u>7,403</u>	<u>(1,891)</u>
Cash inflow / (outflow) before use of liquid resources and financing		4,538	(1,090)
Management of liquid resources – cash (additions to) / withdrawn from short-term deposits		(4,000)	3,070
Financing	24	<u>(884)</u>	<u>(880)</u>
(Decrease) / increase in cash		<u>(346)</u>	<u>1,100</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
(Decrease) / increase in cash in the period		(346)	1,100
Increase / (decrease) in short-term deposits		4,000	(3,070)
Repayment of debt		<u>884</u>	<u>880</u>
Movement in net funds in period		4,538	(1,090)
Net funds at 1 August		<u>13,621</u>	<u>14,711</u>
Net funds at 31 July	25	<u>18,159</u>	<u>13,621</u>

Notes to the Accounts

1 FUNDING COUNCIL GRANTS	2002	2001
	£000	£000
HEFCE recurrent grant	64,393	60,642
HEFCE specific grants	9,191	4,263
HEFCE deferred capital grants released in the year:		
Buildings	1,362	1,362
Equipment	106	–
TTA recurrent grant	1,283	1,627
TTA specific grant	50	30
	<u>76,385</u>	<u>67,924</u>
2 ACADEMIC FEES AND SUPPORT GRANTS	2002	2001
	£000	£000
Full-time students	15,061	13,294
Full-time students charged overseas fees	10,147	8,689
Part-time fees	878	841
Research training support grants	813	612
Short courses	4,357	4,406
	<u>31,256</u>	<u>27,842</u>
3 RESEARCH GRANTS AND CONTRACTS	2002	2001
	£000	£000
Research Councils	13,024	10,807
UK-based charities	13,154	11,310
European Commission	3,936	3,142
Other grants and contracts	20,633	19,821
	<u>50,747</u>	<u>45,080</u>
4 OTHER OPERATING INCOME	2002	2001
	£000	£000
Residences, catering and conferences	12,070	12,020
Other services rendered	13,035	10,461
Health authorities	11,204	9,667
Other income	15,691	12,537
	<u>52,000</u>	<u>44,685</u>
5 ENDOWMENT INCOME AND INTEREST RECEIVABLE	2002	2001
	£000	£000
Transferred from specific endowments	1,026	1,528
Income from general endowment asset investments	122	192
Other interest receivable	1,393	2,096
	<u>2,541</u>	<u>3,816</u>

Notes to the Accounts (Continued)

6 STAFF	2002 £000	2001 £000
STAFF COSTS		
Wages and salaries	101,199	94,116
Social Security costs	7,893	7,538
Other pension costs	10,902	9,993
	<u>119,994</u>	<u>111,647</u>
Emoluments of the Vice-Chancellor from appointment on 1 January 2001	158	90
Emoluments of the former Vice-Chancellor	-	<u>56</u>

The emoluments of the Vice-Chancellor are shown on the same basis as for higher-paid staff. The University's pension contributions to USS in relation to the Vice-Chancellor are paid at the same rates as for other academic staff and amounted to £21,919.

Remuneration of higher-paid staff, excluding employer's pension contributions (Clinical staff numbers in brackets):	2002 Number	2001 Number
£50,000– £59,999	64 (24)	50 (20)
£60,000– £69,999	45 (34)	39 (31)
£70,000– £79,999	26 (21)	25 (16)
£80,000– £89,999	14 (8)	6 (5)
£90,000– £99,999	28 (26)	27 (26)
£100,000–£109,999	2 (1)	1 (1)
£110,000–£119,999	10 (10)	9 (9)
£120,000–£129,999	4 (4)	5 (5)
£130,000–£139,999	7 (7)	5 (5)
£140,000–£149,999	1 (1)	- -

During the year the University operated a voluntary severance scheme. The total costs of the scheme in the year were £7,998,000.

7 OTHER OPERATING EXPENSES	2002 £000	2001 £000
Residences, catering and conference operating expenses	7,030	7,116
Consumables and laboratory expenditure	13,448	16,969
Books and periodicals	2,703	2,471
Heat, light, water and power	3,050	2,529
Repairs and general maintenance	9,791	7,018
Long-term maintenance	1,041	1,196
Grants to Union Society	744	719
Auditors' remuneration	53	52
Auditors' remuneration in respect of non-audit services	118	102
Other expenses	48,454	34,509
	<u>86,432</u>	<u>72,681</u>

8 INTEREST PAYABLE	2002 £000	2001 £000
On loans not wholly repayable within five years	1,078	1,247
On finance leases	7	12
	<u>1,085</u>	<u>1,259</u>

9 ANALYSIS OF 2001-02 EXPENDITURE BY ACTIVITY

	Staff costs £000	Other operating expenses £000	Depreciation £000	Interest payable £000	Total £000
Academic departments	66,287	18,671	776	-	85,734
Academic services	8,675	6,657	144	-	15,476
Administration and central services	13,040	9,337	239	-	22,616
Premises	5,256	16,194	1,942	17	23,409
Residences, catering and conferences	3,503	7,030	651	1,068	12,252
Research grants and contracts	20,842	19,538	1,693	-	42,073
Other expenditure	10,389	9,005	79	-	19,473
Total per income and expenditure account	<u>127,992</u>	<u>86,432</u>	<u>5,524</u>	<u>1,085</u>	<u>221,033</u>

The depreciation charge has been funded by:

Deferred capital grants released	3,928
General income	1,596
	<u>5,524</u>

10 TANGIBLE ASSETS

	CONSOLIDATED AND UNIVERSITY					Total £000
	Land and Buildings		Equip- ment £000	Leased equip- ment £000		
	Freehold £000	Leasehold Long Short £000 £000				
COST						
Balance at 1 August 2001	70,699	47,540	3,135	14,569	1,401	137,344
Additions	851	4,193	-	6,033	-	11,077
Disposals	-	-	-	(32)	-	(32)
Balance at 31 July 2002	<u>71,550</u>	<u>51,733</u>	<u>3,135</u>	<u>20,570</u>	<u>1,401</u>	<u>148,389</u>
DEPRECIATION						
Balance at 1 August 2001	8,998	7,039	486	12,700	1,286	30,509
Charge for the year	1,287	1,020	241	2,931	45	5,524
Eliminated on disposals	-	-	-	(16)	-	(16)
Balance at 31 July 2002	<u>10,285</u>	<u>8,059</u>	<u>727</u>	<u>15,615</u>	<u>1,331</u>	<u>36,017</u>
NET BOOK VALUE						
At 31 July 2002	<u>61,265</u>	<u>43,674</u>	<u>2,408</u>	<u>4,955</u>	<u>70</u>	<u>112,372</u>
Balance at 1 August 2001	<u>61,701</u>	<u>40,501</u>	<u>2,649</u>	<u>1,869</u>	<u>115</u>	<u>106,835</u>
Financed by capital grant	23,163	33,847	-	318	-	57,328
Other	38,102	9,827	2,408	4,637	70	55,044
	<u>61,265</u>	<u>43,674</u>	<u>2,408</u>	<u>4,955</u>	<u>70</u>	<u>112,372</u>

The net book value of tangible fixed assets includes an amount of £70,000 (2000-01: £115,000) in respect of assets held under finance leases. The depreciation charge on these assets for the year was £45,000 (2000-01: £45,000).

Notes to the Accounts (Continued)

11 FIXED ASSET INVESTMENTS

	CONSOLIDATED		UNIVERSITY	
	2002 £000	2001 £000	2002 £000	2001 £000
Shares in subsidiary undertakings				
At cost less amounts written off 1 August 2001	-	-	5	5
Additions during the year	-	-	-	195
Provision for diminution in value	-	-	-	(195)
	<u>-</u>	<u>-</u>	<u>5</u>	<u>5</u>
At cost less amounts written off 31 July 2002	-	-	5	5
Participating interest at cost less amounts written off	-	-	-	-
Other investments other than loans at cost	56	56	56	56
	<u>56</u>	<u>56</u>	<u>61</u>	<u>61</u>

SHARES IN SUBSIDIARY UNDERTAKINGS

The following companies are wholly owned subsidiaries and are registered in England and Wales:

Newcastle University Holdings Limited is operated as a holding company only

Close House Limited* operates Close House Mansion, a conference and banqueting centre

Newcastle University Ventures Limited* provides support for the commercial development of research and consultancy

University of Newcastle upon Tyne Supply Company Limited* leases assets to the University.

* Shares held by Newcastle University Holdings Limited

The Bio-Technology Project Limited, a company limited by guarantee, provides an administrative service for grants.

During the year Newcastle University Holdings Limited disposed of its entire shareholding in Novocastra Laboratories Limited.

SHARES IN ASSOCIATED UNDERTAKINGS

Newcastle University Ventures Limited owns 30 per cent of the Bioscience Partnership Limited.

OTHER INVESTMENTS OTHER THAN LOANS

	Percentage of voting rights %	CONSOLIDATED		UNIVERSITY	
		2002 £000	2001 £000	2002 £000	2001 £000
CVCP Properties PLC	1.3	56	56	56	56
		<u>56</u>	<u>56</u>	<u>56</u>	<u>56</u>

12 ENDOWMENT ASSET INVESTMENTS

	CONSOLIDATED AND UNIVERSITY	
	2002 £000	2001 £000
At 1 August	29,854	32,747
Additions	13,391	28,300
Disposals	(13,650)	(24,774)
Net depreciation on disposals and on revaluation	(4,672)	(6,419)
	<u>24,923</u>	<u>29,854</u>
Fixed interest stock and equities	24,867	30,019
Bank balances	625	650
Cash to be withdrawn	(569)	(815)
	<u>24,923</u>	<u>29,854</u>
Fixed interest stock and equities at cost	<u>29,777</u>	<u>26,972</u>

13 DEBTORS

	CONSOLIDATED		UNIVERSITY	
	2002	2001	2002	2001
	£000	£000	£000	£000
Debtors	24,648	20,653	24,437	20,465
Amounts owed by subsidiary undertakings	-	-	359	1,082
Prepayments and accrued income	3,374	3,730	3,371	3,704
	<u>28,022</u>	<u>24,383</u>	<u>28,167</u>	<u>25,251</u>

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	CONSOLIDATED		UNIVERSITY	
	2002	2001	2002	2001
	£000	£000	£000	£000
Fixed-term loans and unsecured loans	820	820	820	820
Obligations under finance leases	57	64	57	64
Payments received on account	15,101	14,798	15,101	14,798
Creditors	5,704	4,518	5,608	4,367
Amounts owed to subsidiary undertakings	-	-	143	290
Social Security and other taxation payable	3,222	3,205	3,191	3,177
Accruals and deferred income	17,430	15,950	16,984	15,715
	<u>42,334</u>	<u>39,355</u>	<u>41,904</u>	<u>39,231</u>

15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	CONSOLIDATED AND UNIVERSITY	
	2002	2001
	£000	£000
Fixed-term loans secured on residential and other property repayable by 2024	15,630	16,450
Obligations under finance leases	-	57
	<u>15,630</u>	<u>16,507</u>

16 PROVISION FOR LIABILITIES AND CHARGES

	CONSOLIDATED AND UNIVERSITY
	£000
At 1 August 2001	-
Charges to income and expenditure account	7,998
Expenditure in the year	(2,967)
At 31 July 2002	<u>5,031</u>

The provision relates to the voluntary severance scheme implemented during the year.

Notes to the Accounts (Continued)

17 DEFERRED CAPITAL GRANTS

	CONSOLIDATED AND UNIVERSITY		
	Funding Council £000	Other grants & bene- factions £000	Total £000
At 1 August 2001			
Buildings	57,697	4,303	62,000
Equipment	-	884	884
	<u>57,697</u>	<u>5,187</u>	<u>62,884</u>
Amounts received / receivable			
Buildings	675	6,325	7,000
Equipment	424	4,795	5,219
	<u>1,099</u>	<u>11,120</u>	<u>12,219</u>
Released to income and expenditure account			
Buildings	1,362	375	1,737
Equipment	106	2,085	2,191
	<u>1,468</u>	<u>2,460</u>	<u>3,928</u>
At 31 July 2002			
Buildings	57,010	10,253	67,263
Equipment	318	3,594	3,912
	<u>57,328</u>	<u>13,847</u>	<u>71,175</u>

18 ENDOWMENTS

	CONSOLIDATED AND UNIVERSITY		
	Specific £000	General £000	Total £000
At 1 August 2001	26,677	3,177	29,854
Additions	524	-	524
Disposals	(72)	-	(72)
Depreciation of endowment asset investments	(4,375)	(518)	(4,893)
Income for the year	588	70	658
Transferred to income and expenditure account	(1,026)	(122)	(1,148)
At 31 July 2002	<u>22,316</u>	<u>2,607</u>	<u>24,923</u>

19 RESERVES

	Capital	Depart-	Central	Total
	£000	ments	reserves	
CONSOLIDATED				
At 1 August 2001	26,560	21,002	(4,582)	42,980
Deficit before transfers	-	-	(2,570)	(2,570)
Transfers	(1,870)	(10,328)	12,198	-
At 31 July 2002	<u>24,690</u>	<u>10,674</u>	<u>5,046</u>	<u>40,410</u>
UNIVERSITY				
At 1 August 2001	26,560	21,002	(4,360)	43,202
Deficit before transfers	-	-	(2,809)	(2,809)
Transfers	(1,870)	(10,328)	12,198	-
At 31 July 2002	<u>24,690</u>	<u>10,674</u>	<u>5,029</u>	<u>40,393</u>

20 LEASE OBLIGATIONS

	CONSOLIDATED AND UNIVERSITY	
	2002	2001
	£000	£000
Obligations under finance leases fall due as follows:		
Between two and five years	-	57
Within one year	57	64
	<u>57</u>	<u>121</u>

**21 RECONCILIATION OF CONSOLIDATED OPERATING (DEFICIT) / SURPLUS
TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES**

	2002	2001
	£000	£000
(Deficit) / surplus on continuing operations after depreciation of assets at cost	(8,104)	45
Depreciation	5,524	3,715
Deferred capital grants released to income	(3,928)	(2,234)
Investment income	(2,541)	(3,816)
Interest payable	1,085	1,259
Decrease in stocks	1	10
Increase in debtors	(4,225)	(3,831)
Increase in creditors	2,999	4,021
Increase in provisions	5,031	-
Net cash outflow from operating activities	<u>(4,158)</u>	<u>(831)</u>

22 RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2002	2001
	£000	£000
Income from endowments	791	840
Other interest received	1,600	2,113
Interest paid	(1,098)	(1,321)
Net cash inflow from returns on investments and servicing of finance	<u>1,293</u>	<u>1,632</u>

23 CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2002	2001
	£000	£000
Purchase of tangible fixed assets	(11,077)	(6,619)
Payments to acquire endowment assets	(13,391)	(28,300)
Total fixed and endowment asset investments acquired	<u>(24,468)</u>	<u>(34,919)</u>
Receipts from sale of investment	5,534	-
Receipts from sale of endowment assets	13,650	26,351
Sale of tangible fixed assets	16	493
Deferred capital grants received	12,219	3,466
Endowments received	452	2,718
Net cash inflow / (outflow) from capital expenditure and financial investment	<u>7,403</u>	<u>(1,891)</u>

Notes to the Accounts (Continued)

24 ANALYSIS OF CHANGES IN CONSOLIDATED FINANCING DURING THE YEAR

	Finance leases £000	Fixed-term loans £000	Total £000
At 1 August 2000	181	18,090	18,271
Capital repayments	(60)	(820)	(880)
At 31 July 2001	121	17,270	17,391
Capital repayments	(64)	(820)	(884)
At 31 July 2002	57	16,450	16,507

25 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 August 2001 £000	Cash flows £000	Other changes £000	At 31 July 2002 £000
Cash at bank and in hand:				
Endowment asset investments (note 12)	650	(25)	-	625
Others	4,362	(321)	-	4,041
	5,012	(346)	-	4,666
Short-term investments	26,000	4,000	-	30,000
Debt due within one year	(820)	820	(820)	(820)
Debt due after one year	(16,450)	-	820	(15,630)
Finance leases	(121)	64	-	(57)
	13,621	4,538	-	18,159

26 CAPITAL COMMITMENTS

	CONSOLIDATED		UNIVERSITY	
	2002 £000	2001 £000	2002 £000	2001 £000
Commitments contracted at 31 July	35,251	10,108	35,251	10,108
Authorized but not contracted at 31 July	2,140	38,382	2,140	38,382
	37,391	48,490	37,391	48,490

The above commitments are principally funded from external sources.

27 ACCESS FUNDS

	2002 £000	2001 £000
Funding Council grants	597	616
Interest earned	2	3
	599	619
Disbursed to students	(472)	(455)
Balance unspent at 31 July	127	164

Funding Council grants are available solely for students: the University acts only as paying agent.

The grants and related disbursements are therefore excluded from the income and expenditure account.

28 TEACHERS TRAINING AGENCY

	2002 £000	2001 £000
Training bursaries	1,934	1,686
Disbursements	(1,831)	(1,660)
Balance unspent at 31 July	103	26

29. PENSION ARRANGEMENTS

The University participates in two main pension schemes, Universities Superannuation Scheme Limited (USS) and the Retirements Benefits Plan (1971), (RBP).

USS

USS is a defined benefit scheme which is externally funded and contracted out of the State Earnings-Related Pension Scheme. The assets of the scheme are held in a separate trustee-administered fund. It is not possible to identify each institution's share of the underlying assets and liabilities of the scheme and hence contributions are accounted for as if it were a defined contribution scheme. The cost recognized within the deficit/surplus for the year in the income and expenditure account being equal to the contributions payable to the scheme for the year.

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

At the valuation date, 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 leaving a surplus of assets of £1,443 million. The assets therefore were sufficient to cover 108 per cent of the benefits which had accrued to members after allowing for expected future increases in earnings.

The institution contribution rate required for future service benefits alone at the date of the valuation was 16.3 per cent of salaries but it was agreed that the institution contribution rate will be maintained at 14 per cent of salaries. To fund this reduction of 2.3 per cent for the period of 11 years from the date of the

valuation (the average outstanding working lifetime of the current members of the scheme) required the use of £561 million of the surplus. It was also agreed, following the valuation, that £201 million of the surplus would be used to fund certain benefit improvements. This left a past service surplus of £681 million (including the Supplementary Section) to be carried forward.

Surpluses or deficits which arise at future valuations may impact on the University's future contribution commitment. The next formal actuarial valuation is due as at 31 March 2002 when the above rates will be reviewed.

The total pension cost for the University was £8,461,000 (2001: £7,823,000). The contribution rate payable by the University was 14 per cent of pensionable salaries.

RBP

RBP is an Exempt Approved Scheme under the Finance Act 1970 and provides benefits based on final pensionable salary: it is established under irrevocable trusts and its assets are kept strictly separate from those of the University. It is a defined benefit scheme.

The total pension cost to the University was £1,733,000 (2001: £1,644,000). The contribution payable by the University was 9 per cent of pensionable salaries.

A full actuarial valuation was carried out as at 31 July 2001 and updated to 31 July 2002 by a qualified independent actuary. The major assumptions used by the actuary were:

	Year ended 31 July 2002	Year ended 31 July 2001
Rate of increase in salaries	3.4%	3.15%
Rate of increase of pensions in payment	2.4%	2.65%
Discount rate	6.0%	5.81%
Inflation assumption	2.4%	2.65%

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

	Value at 31 July 2002 £m	Long-term expected return %	Value at 31 July 2001 £m	Long-term expected return %
Equities	34.2	7.4	40.3	7.1
Bonds	42.7	5.3	43.5	5.0
Property	4.9	7.4	4.9	7.1
Cash	0.9	4.0	2.2	5.2
	<u>82.7</u>		<u>90.9</u>	

Notes to the Accounts (Continued)

29. PENSION ARRANGEMENTS (Continued)

The following amounts at 31 July 2002 and 31 July 2001 were measured in accordance with the requirements of FRS 17.

	2002 £m	2001 £m
Total market value of assets	82.7	90.9
Present value of scheme liabilities	<u>76.7</u>	<u>76.0</u>
Surplus in the scheme	<u>6.0</u>	<u>14.9</u>

If the above amounts had been recognized in the financial statements, the group's net assets and general reserve at 31 July 2002 and 31 July 2001 would be as follows:

	2002 £m	2001 £m
Net assets excluding pension asset	136.5	135.7
Pension asset	<u>6.0</u>	<u>14.9</u>
Net assets including pension asset	<u>142.5</u>	<u>150.6</u>
General reserve excluding pension asset	40.4	43.0
Pension reserve	<u>6.0</u>	<u>14.9</u>
General reserve	<u>46.4</u>	<u>57.9</u>

The following amounts would have been recognized in the performance statements in the year to 31 July 2002 under the requirements of FRS 17:

	£m
Operating profit	
Current service cost	2.8
Past service cost	<u>0.0</u>
Total operating charge	<u>2.8</u>
Other finance income	
Expected return on pension scheme assets	5.5
Interest on pension scheme liabilities	<u>(4.4)</u>
Net return	<u>1.1</u>

Statement of total recognized gains and losses

Actual return less expected return on pension scheme assets	(12.8)
Experience gains and losses arising on scheme liabilities	0.0
Changes in assumptions underlying the present value of the scheme liabilities	<u>3.8</u>
Actuarial loss recognized in STRGL	<u>(9.0)</u>

Movement in surplus during the year

Surplus in scheme at beginning of the year	14.9
Movement in year:	
Current service cost	(2.8)
Contributions	1.8
Past service costs	0.0
Other finance income	1.1
Actuarial loss	<u>(9.0)</u>
Surplus in scheme at end of the year	<u>6.0</u>

The University also has a small number of staff in The National Health Service Scheme (NHSS), the total cost of which was £708,000 (2001: £526,000).

Five-year Summary

	2002	2001	2000	1999	1998
	£000	£000	£000	£000	£000
INCOME					
Funding Council grants	76,385	67,924	64,046	64,180	57,874
Academic fees and support grants	31,256	27,842	24,771	24,705	27,633
Research grants and contracts	50,747	45,080	42,061	38,880	37,438
Other operating income (a)	57,534	44,685	38,133	31,066	30,109
Endowment income and interest receivable	2,541	3,816	3,272	3,586	3,346
Total income	218,463	189,347	172,283	162,417	156,400
EXPENDITURE					
Staff costs (b)	127,992	111,647	103,926	97,448	93,190
Other operating expenses	86,432	72,681	62,543	59,641	56,878
Depreciation	5,524	3,715	3,944	4,246	4,412
Interest payable	1,085	1,259	1,269	1,540	1,478
Total expenditure	221,033	189,302	171,682	162,875	155,958
(Deficit) / surplus after depreciation of assets and tax	(2,570)	45	601	(458)	442

Notes:

(a) Other operating income in 2002 includes £5,534k exceptional income relating to the sale of an investment

(b) Staff costs in 2002 include voluntary severance costs £7,998k



University of Newcastle upon Tyne
Newcastle upon Tyne NE1 7RU
United Kingdom

Telephone: +44 (0) 191 222 6000

Web: <http://www.ncl.ac.uk/>

We would like to thank the following for the use of their illustrative material: Doug Hall of i2i; Colin Cuthbert; North News and Pictures; *The Sunday Times*; University of Newcastle upon Tyne staff.

© University of Newcastle upon Tyne, 2002.

Designed by Gainford Design Associates, Northumberland.

Printed by Statex Colour Print, Newcastle upon Tyne.