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

| | NOTE | 2008 £ | 2007 £ |
|---|---|---|---|
| **INCOME** | | | |
| Funding Council Grants | 1 | 8,661,846 | 7,907,175 |
| Academic Fees and Support Grants | 2 | 3,799,754 | 3,369,921 |
| Research Grants and Contracts | 3 | 5,641,817 | 5,270,411 |
| Other Operating Income | 4 | 484,689 | 591,397 |
| Endowment and Investment Income | 5 | 399,107 | 158,133 |
| | | 18,987,213 | 17,297,037 |
| **EXPENDITURE** | | | |
| Staff Costs | 6 | 11,021,647 | 9,900,841 |
| Depreciation | 9 | 1,154,825 | 1,073,446 |
| Other Operating Expenses | 7 | 6,688,297 | 6,231,158 |
| Interest payable on loans not wholly repayable within five years | | 27,011 | 12,825 |
| | | 18,891,780 | 17,218,270 |
| Surplus on continuing operations after depreciation | | **95,433** | **78,767** |
| Surplus transferred to accumulated income in endowment funds | 16 | (20,147) | (13,225) |
| **Surplus for the year retained within general reserves** | 18 | **75,286** | **65,542** |

The above results relate wholly to continuing operations.

# BALANCE SHEET AS AT 31 JULY 2008

| | Note | 2008 £ | 2007 £ |
|---|---|---|---|
| **FIXED ASSETS** | | | |
| Tangible Assets | 9 | 10,791,451 | 9,554,359 |
| Investments | 10 | 112,127 | 163,179 |
| | | 10,903,578 | 9,717,538 |
| **ENDOWMENT ASSET INVESTMENTS** | 11 | 589,620 | 560,268 |
| **CURRENT ASSETS** | | | |
| Stocks | | 9,493 | 9,148 |
| Debtors | 12 | 961,876 | 923,410 |
| Short Term Deposits | | 2,594,032 | 1,764,033 |
| Cash at Bank and in Hand | | 1,047,520 | 483,307 |
| | | 4,612,921 | 3,179,898 |
| **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR** | 13 | (5,916,967) | (4,810,925) |

| | | | |
|---|---|---|---|
| **NET CURRENT LIABILITIES** | | (1,304,046) | (1,631,027) |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 10,189,152 | 8,646,779 |
| **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR** | | | |
| Bank Loan | 14 | (410,719) | (489,185) |
| **NET ASSETS** | | 9,778,433 | 8,157,594 |
| **DEFERRED CAPITAL GRANTS** | 15 | 6,463,913 | 4,946,681 |
| **ENDOWMENTS** | | | |
| Permanent | 16 | 385,998 | 357,361 |
| Expendable | 16 | 203,622 | 202,907 |
| | | 589,620 | 560,268 |
| **RESERVES** | | | |
| Revaluation Reserve | 17 | 10,038 | 11,069 |
| Income and Expenditure Account | 18 | 2,714,862 | 2,639,576 |
| | | 2,724,900 | 2,650,645 |
| **TOTAL** | | 9,778,433 | 8,157,594 |

Approved by Council on 27 November 2008, and signed on its behalf by:

Chairman of Council

Dean

Treasurer

Secretary to Council

## CASH FLOW STATEMENT
## FOR THE YEAR ENDED 31 JULY 2008

| | Note | 2008 | 2007 |
|---|---|---|---|
| | | £ | £ |
| Net Cash Inflow from Operating Activities | 20 | 1,159,967 | 1,355,681 |
| Returns on Investments and Servicing of Finance | 21 | 174,126 | 145,308 |
| Capital Expenditure and Financial Investment | 22 | 168,586 | (2,321,502) |
| Financing | 23 | (78,466) | 489,185 |
| Cash Inflow before Use of Liquid Resources | | 1,424,213 | (331,328) |
| Management of Liquid Resources | | (860,000) | 350,000 |
| Increase in Cash | 24 | 564,213 | 18,672 |

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**

| | 2008 £ | 2007 £ |
|---|---|---|
| Increase in cash in the year | 564,213 | 18,672 |
| Increase/(Decrease) in short term deposits | 860,000 | (350,000) |
| Change in debt | 78,466 | (489,185) |
| Change in Net Funds | 1,502,679 | (820,513) |
| Net Funds brought forward | 2,244,122 | 3,064,635 |
| Net Funds at 31 July | 3,746,801 | 2,244,122 |

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

| 2008 £ | 2007 £ |
|---|---|

| | | | |
|---|---|---|---|
| Surplus on continuing operations after depreciation | | 95,433 | 78,767 |
| Diminution of Endowment Asset Investments | 16 | (650) | (4,247) |
| Endowments received in the Year | 16 | 9,855 | 17,994 |
| Unrealised Loss on Revaluation of Investments | 17 | (1,031) | (5,860) |
| Total Recognised Gains relating to the year | | 103,607 | 86,654 |

## NOTES TO THE FINANCIAL STATEMENTS

| | | 2008 £ | 2007 £ |
|---|---|---|---|
| 1 | **FUNDING COUNCIL GRANTS** | | |
| | Block Recurrent Grant | 7,210,499 | 7,088,505 |
| | Specific Grants: | | |
| | Higher Education Innovation Fund | 299,988 | 300,012 |
| | Learning & Teaching Development | 38,842 | 38,842 |
| | Home Office Active Community Fund | - | 4,583 |
| | Strategic Development Fund | 601,763 | 101,052 |
| | Deferred Capital Grants Released in Year: | | |
| | Building Works - Depreciation (Note 15) | 353,761 | 273,149 |
| | Equipment and Furniture - Depreciation (Note 15) | 156,993 | 101,032 |
| | | 8,661,846 | 7,907,175 |
| 2 | **ACADEMIC FEES AND SUPPORT GRANTS** | | |
| | Full Time - Home & EU | 1,482,419 | 1,167,771 |
| | Full Time - Overseas | 2,029,102 | 1,924,841 |
| | Part Time | 230,233 | 225,309 |
| | Bench Fees and Support Grants | 58,000 | 52,000 |
| | | 3,799,754 | 3,369,921 |
| 3 | **RESEARCH GRANTS AND CONTRACTS** | | |
| | Research Councils | 1,263,422 | 1,096,879 |
| | UK Charities | 1,378,264 | 1,254,083 |
| | UK Central Govt Bodies | 541,136 | 417,884 |
| | UK Industry, Commerce and Public Corporations | 744,979 | 820,750 |
| | Overseas Sources | 800,507 | 709,230 |
| | Other Sources | 210,831 | 239,471 |
| | Released from Deferred Capital Grants (Note 15) | 115,877 | 150,884 |
| | | 5,055,016 | 4,689,181 |
| | Indirect Costs Recovered | 586,801 | 581,230 |
| | | 5,641,817 | 5,270,411 |
| 4 | **OTHER OPERATING INCOME** | | |
| | Residences and Catering | 154,734 | 162,126 |
| | Other Services Rendered | 86,603 | 75,607 |
| | Released from Deferred Capital Grants (Note 15) | 50,000 | 50,000 |
| | Accommodation Lettings | 119,987 | 148,059 |
| | Other Income | 73,365 | 155,605 |
| | | 484,689 | 591,397 |
| 5 | **ENDOWMENT AND INVESTMENT INCOME** | | |
| | Income from Permanent Endowments (Note 16) | 20,876 | 18,104 |
| | Income from Expendable Endowments (Note 16) | 11,407 | 10,596 |
| | Income from Fixed Asset Investments | 215,303 | 10,744 |
| | Income from Short Term Deposits and Bank Interest | 151,521 | 118,689 |
| | | 399,107 | 158,133 |

Included in Income from Fixed Asset Investments in 2007-08 is £197,970 from the sale of shares in Pharmaterials Limited.

## NOTES TO THE FINANCIAL STATEMENTS - continued

| | | 2008 £ | 2007 £ |
|---|---|---|---|
| 6 | **STAFF** | | |
| | Staff Costs: | | |

| | | |
|---|---|---|
| Wages and Salaries | 9,243,272 | 8,266,939 |
| Social Security Costs | 751,254 | 710,688 |
| Other Pension Costs | 1,003,710 | 913,985 |
| Early retirement & severance costs | 23,411 | 9,229 |
| | 11,021,647 | 9,900,841 |

| | | |
|---|---|---|
| Emoluments of Dean, Professor A W Smith, excluding pension contributions from the School of £16,937 (2006-07 £15,592). | £140,019 | £127,240 |

| Remuneration of other higher paid staff, excluding pension contributions: | No. | No. |
|---|---|---|
| £70,000 - £79,999 | 7 | 10 |
| £80,000 - £89,999 | 3 | 1 |
| £90,000 - £99,999 | 0 | 2 |
| £100,000 - £109,999 | 1 | 0 |

| Average Staff Numbers (full time equivalents) by category: | No. | No. |
|---|---|---|
| Academic | 61 | 57 |
| Research Grants and Contracts | 63 | 60 |
| Academic - Related | 30 | 30 |
| Technical | 20 | 20 |
| Clerical, Secretarial and Computer Operators | 29 | 27 |
| Manual and Ancillary | 9 | 11 |
| Other | 10 | 7 |
| | 222 | 212 |

| Other Pension Costs comprised: | £ | £ |
|---|---|---|
| USS Employer's Contributions | 774,031 | 705,584 |
| SAUL Employer's Contributions | 216,063 | 192,006 |
| Other Employer's Contributions | 6,090 | 9,113 |
| FSSU Pensions Supplementation | 7,526 | 7,282 |
| | 1,003,710 | 913,985 |

7 **OTHER OPERATING EXPENSES**

| | £ | £ |
|---|---|---|
| Residences and Catering Operating Expenses | 146,546 | 91,807 |
| Consumables and Laboratory Expenditure | 835,975 | 747,998 |
| Research Grant Expenses | 2,358,832 | 2,110,370 |
| Books & Periodicals | 242,644 | 240,836 |
| Other Library & Information Service Expenditure | 171,625 | 157,157 |
| School Studentships, Prizes and Waiver of Fees | 561,578 | 569,374 |
| Other General Educational Expenditure | 213,885 | 298,082 |
| Heat, Light, Power and Water | 347,482 | 344,448 |
| Repairs and General Maintenance | 341,167 | 299,443 |
| Long-term Maintenance | 33,481 | 16,429 |
| Minor Works & Adaptations | 94,450 | 80,928 |
| Rates | 63,256 | 54,983 |
| Operating lease rentals - land and buildings | 152,277 | 116,000 |
| Insurance | 109,971 | 126,360 |
| Telephones | 70,525 | 48,182 |
| Minor Equipment and Equipment Maintenance | 268,323 | 227,133 |
| External Audit Fees | 17,927 | 19,814 |
| Internal Audit Costs | 28,820 | 17,296 |
| Other Professional Fees | 65,606 | 61,944 |
| University of London Subscription & Services | 81,594 | 81,364 |
| Commercial Development Office | 94,843 | 131,720 |
| Students Union Grant & Other Expenses | 25,969 | 26,617 |
| Other Expenses | 361,521 | 362,873 |
| | 6,688,297 | 6,231,158 |

## NOTES TO THE FINANCIAL STATEMENTS - continued

8 **ANALYSIS OF 2007-08 EXPENDITURE BY ACTIVITY**

| | Staff Costs | Deprec'n | Other Operating Expenses | Total 2008 | Total 2007 |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Academic Departments | 5,902,818 | 366,522 | 1,681,541 | 7,950,881 | 7,009,295 |
| Academic Services | 521,254 | - | 414,269 | 935,523 | 848,910 |
| Research Grants and Contracts | 2,580,308 | 115,877 | 2,358,832 | 5,055,017 | 4,689,181 |
| Residences and Catering | 95,805 | - | 146,546 | 242,351 | 226,347 |
| Premises | 507,527 | 672,426 | 1,215,666 | 2,395,619 | 2,185,938 |
| Administration & Central Services | 1,276,050 | - | 764,466 | 2,040,516 | 1,734,277 |
| Other Expenses | 137,885 | - | 106,977 | 244,862 | 511,497 |
| Interest Payable | - | - | 27,011 | 27,011 | 12,825 |
| | 11,021,647 | 1,154,825 | 6,715,308 | 18,891,780 | 17,218,270 |

| The depreciation charge has been funded by: | |
|---|---|
| Deferred Capital Grants Released (Note 15) | 676,631 |
| General Income | 478,194 |
| | 1,154,825 |

9 **TANGIBLE ASSETS**

| | Leasehold Building | Equipment | Total |
|---|---|---|---|
| | £ | £ | £ |
| Cost | | | |

| | | | |
|---|---|---|---|
| At 1 August 2007 | 11,646,315 | 5,403,295 | 17,049,610 |
| Additions at Cost | 1,800,628 | 591,289 | 2,391,917 |
| At 31 July 2008 | 13,446,943 | 5,994,584 | 19,441,527 |
| Depreciation | | | |
| At 1 August 2007 | 2,778,493 | 4,716,758 | 7,495,251 |
| Charge for year | 633,884 | 520,941 | 1,154,825 |
| At 31 July 2008 | 3,412,377 | 5,237,699 | 8,650,076 |
| Net Book Value | | | |
| At 31 July 2008 | 10,034,566 | 756,885 | 10,791,451 |
| At 31 July 2007 | 8,867,822 | 686,537 | 9,554,359 |

10 **INVESTMENTS**

| | 2008 £ | 2007 £ |
|---|---|---|
| Listed Investments at market valuation: | | |
| Fixed Interest Stocks | 111,927 | 112,957 |
| Unlisted Investments at cost | 50,200 | 50,222 |
| Less Provision for diminution in value | (50,000) | - |
| | 112,127 | 163,179 |

## NOTES TO THE FINANCIAL STATEMENTS - continued

10 **INVESTMENTS (continued)**

The School holds 100% of the issued share capital of 2 £1 ordinary shares of Pharmovation Limited, a company registered in England and Wales. There have been no transactions since incorporation in March 2004.
The School has investments in a number of spin-out companies which are carried at cost.

11 **ENDOWMENT ASSET INVESTMENTS**

| | 2008 £ | 2007 £ |
|---|---|---|
| Balance at 1 August | 560,268 | 546,521 |
| New endowments | 9,855 | 4,769 |
| Decrease in market value of investments | (650) | (4,247) |
| Increase in cash balances held for endowment funds | 20,147 | 13,225 |
| Balance at 31 July | 589,620 | 560,268 |
| Represented by: | | |
| Fixed Interest Stocks at market value | 73,652 | 74,301 |
| Short Term Deposits | 515,968 | 485,967 |
| Total Endowment Asset Investments | 589,620 | 560,268 |
| Fixed Interest Stocks at Cost | 59,698 | 59,698 |

12 **DEBTORS**

| | 2008 £ | 2007 £ |
|---|---|---|
| Amounts falling due within one year: | | |
| Research Grants and Contracts | 421,681 | 351,615 |
| Other Debtors, Prepayments and Accrued Income | 540,195 | 571,795 |
| | 961,876 | 923,410 |

13 **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

| | 2008 £ | 2007 £ |
|---|---|---|
| Research Grants and Contracts | 4,048,420 | 3,241,024 |
| PAYE and National Insurance | 255,351 | 232,204 |
| Trade creditors | 642,982 | 440,122 |
| Accruals and deferred income | 970,214 | 897,575 |
| | 5,916,967 | 4,810,925 |

14 **BANK LOAN**

An unsecured bank loan of £500,000, with an interest rate of 0.5% above the bank's base rate (5.0% at 31 July 2008), is repayable by instalments. The loan was initially drawn down on 20 February 2007 as a revolving credit facility which after three years converts to a term loan facility repayable by equal quarterly instalments by the 15th anniversary of the first drawdown. The outstanding balance at 31 July 2008 was £410,719 (£489,185 at 31 July 2007).

## NOTES TO THE FINANCIAL STATEMENTS - continued

| 15 | **DEFERRED CAPITAL GRANTS** | Funding Council £ | Other Grants £ | Total £ |
|---|---|---|---|---|
| | At 1 August 2007 | | | |
| | Building Work - Refurbishments & Capital Maintenance | 4,399,526 | 155,000 | 4,554,526 |
| | Equipment | 223,850 | 168,305 | 392,155 |
| | | 4,623,376 | 323,305 | 4,946,681 |
| | Cash Received | | | |
| | Building Work - Refurbishments & Capital Maintenance | 1,127,442 | 500,000 | 1,627,442 |
| | Equipment | 452,552 | 113,869 | 566,421 |
| | | 1,579,994 | 613,869 | 2,193,863 |
| | Released to Income & Expenditure Account (Notes 1, 3 & 4): | | | |
| | Building Work - Refurbishments & Capital Maintenance | (353,761) | (50,000) | (403,761) |
| | Equipment | (156,993) | (115,877) | (272,870) |
| | | (510,754) | (165,877) | (676,631) |
| | At 31 July 2008 | | | |
| | Building Work - Refurbishments & Capital Maintenance | 5,173,207 | 605,000 | 5,778,207 |
| | Equipment | 519,409 | 166,297 | 685,706 |
| | | 5,692,616 | 771,297 | 6,463,913 |

| 16 | **ENDOWMENTS** | Restricted Permanent £ | Restricted Expendable £ | 2008 Total £ | 2007 Total £ |
|---|---|---|---|---|---|
| | **Balances at 1 August 2007** | | | | |
| | Capital | 199,002 | 165,344 | 364,346 | 359,577 |
| | Accumulated Income | 158,359 | 37,563 | 195,922 | 186,944 |
| | | 357,361 | 202,907 | 560,268 | 546,521 |
| | New Endowments | 9,855 | - | 9,855 | 4,769 |
| | Investment Income | 20,876 | 11,407 | 32,283 | 28,700 |
| | Expenditure | (1,822) | (10,314) | (12,136) | (15,475) |
| | | 19,054 | 1,093 | 20,147 | 13,225 |
| | Change in market value of investments | (272) | (378) | (650) | (4,247) |
| | **Balances at 31 July 2008** | 385,998 | 203,622 | 589,620 | 560,268 |
| | **Represented by:** | | | | |
| | Capital | 208,857 | 165,344 | 374,201 | 364,346 |
| | Accumulated Income | 177,141 | 38,278 | 215,419 | 195,922 |
| | | 385,998 | 203,622 | 589,620 | 560,268 |
| | **Comprising:** | | | | |
| | Mary Ashton Memorial Fund | 4,024 | - | 4,024 | 3,951 |
| | Blandford Prize | 15,282 | - | 15,282 | 14,549 |
| | Bramwell Book Prize | 2,906 | - | 2,906 | 2,846 |
| | R Cannell Travel Fund | 37,905 | - | 37,905 | 36,498 |
| | A M Cook Fund | 19,733 | - | 19,733 | 18,952 |
| | W L Custance Bequest | 34,434 | - | 34,434 | 32,669 |
| | P Elworthy Prize | 325 | - | 325 | 308 |
| | ACG Florence Prize | 1,466 | - | 1,466 | 1,532 |
| | Greenish Memorial Fund | 15,690 | - | 15,690 | 14,955 |
| | Sir Harry Jephcott Fund | 108,765 | - | 108,765 | 102,851 |
| | Molecular Pharmacy Appeal | 19,887 | - | 19,887 | 9,218 |
| | W C Peck Prize | 1,970 | - | 1,970 | 1,965 |
| | Upjohn Toxicology Prize | 501 | - | 501 | 477 |
| | Webber Bequest | 53,434 | - | 53,434 | 50,528 |
| | Wilkins Prize Fund | 17,347 | - | 17,347 | 16,549 |
| | Alumni Fund | 5,953 | - | 5,953 | 5,629 |
| | Annual School Lecture Fund | 46,376 | - | 46,376 | 43,884 |
| | Charter Fund | - | 203,622 | 203,622 | 202,907 |
| | | 385,998 | 203,622 | 589,620 | 560,268 |

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

## NOTES TO THE FINANCIAL STATEMENTS - continued

| 17 | **REVALUATION RESERVE** | **2008** £ | **2007** £ |
|---|---|---|---|
| | At 1 August | 11,069 | 16,929 |
| | Revaluation in year | (1,031) | (5,860) |
| | At 31 July | 10,038 | 11,069 |

| 18 | **INCOME AND EXPENDITURE ACCOUNT RESERVE** | **2008** £ | **2007** £ |
|---|---|---|---|
| | **General Reserve** | | |

| | | |
|---|---|---|
| Balance at 1 August | 2,639,576 | 2,574,034 |
| Surplus for the year | 75,286 | 65,542 |
| **Total Income & Expenditure Account Reserve at 31 July** | 2,714,862 | 2,639,576 |

19 **CAPITAL & LEASE COMMITMENTS**

| | 2008 | 2007 |
|---|---|---|
| | £ | £ |
| Capital commitments contracted at 31 July | 170,000 | 565,000 |

The School has annual commitments of £161,000 (£104,000 in 2006-07) under an operating lease for land and buildings expiring in two to five years.

20 **RECONCILIATION OF SURPLUS AFTER DEPRECIATION TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

| | 2008 | 2007 |
|---|---|---|
| | £ | £ |
| Surplus after Depreciation | 95,433 | 78,767 |
| Depreciation (Note 9) | 1,154,825 | 1,073,446 |
| Deferred Capital Grants Released to Income (Note 15) | (676,631) | (575,065) |
| Provision for diminution in value of investments | 50,000 | - |
| Investment Income (Note 5) | (399,107) | (158,133) |
| Interest payable | 27,011 | 12,825 |
| Movement in Stocks | (345) | (2,788) |
| Movement in Debtors | 28,844 | 366,362 |
| Movement in Creditors | 879,937 | 560,267 |
| Net Cash Inflow from Operating Activities | 1,159,967 | 1,355,681 |

21 **RETURNS ON INVESTMENTS AND SERVICING OF FINANCE**

| | 2008 | 2007 |
|---|---|---|
| | £ | £ |
| Income from Endowments | 32,283 | 28,700 |
| Income from Fixed Asset Investments | 17,333 | 10,744 |
| Other Interest Receivable | 151,521 | 118,689 |
| Interest payable | (27,011) | (12,825) |
| | 174,126 | 145,308 |

22 **CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT**

| | 2008 | 2007 |
|---|---|---|
| | £ | £ |
| Tangible Assets Acquired | (2,165,812) | (2,977,370) |
| Disposal of investments | 130,680 | - |
| Endowments Received | 9,855 | 4,769 |
| Deferred Capital Grants Received | 2,193,863 | 651,099 |
| | 168,586 | (2,321,502) |

## NOTES TO THE FINANCIAL STATEMENTS - continued

23 **FINANCING**

| | 2008 | 2007 |
|---|---|---|
| | £ | £ |
| Debt due beyond a year: | | |
| New loan repayable by 2022 | - | 500,000 |
| Repayment of amount borrowed | (78,466) | (10,815) |
| Net cash inflow from financing | (78,466) | 489,185 |

24 **ANALYSIS OF CHANGES IN NET FUNDS**

| | At 31-Jul-07 | Cash Flows | At 31-Jul-08 |
|---|---|---|---|
| | £ | £ | £ |
| Cash at Bank and in Hand | 483,307 | 564,213 | 1,047,520 |
| | 483,307 | 564,213 | 1,047,520 |
| Short Term Deposits - Endowment Assets | 485,967 | 30,001 | 515,968 |
| Short Term Deposits - Others | 1,764,033 | 829,999 | 2,594,032 |
| Bank loan repayable after more than one year | (489,185) | 78,466 | (410,719) |
| | 2,244,122 | 1,502,679 | 3,746,801 |

25 **ACCESS TO LEARNING FUND & OPPORTUNITY BURSARIES**

Funding Council Grants of £27,354 were received during the year (2006-07: £33,173) and dispersed fully to students. Funding Council grants are available solely for students: the School acts only as paying agent. The grants and related disbursements are therefore excluded from the Income and Expenditure Account.

26 **PENSION ARRANGEMENTS**

The School participates in two defined benefit pension schemes - Universities Superannuation Scheme (USS) for academic and academic-related staff and Superannuation Arrangements of the University of London (SAUL) for other staff. The assets of the schemes are held in separate trustee-administered funds. The School is unable to identify its share of the underlying assets and liabilities of the schemes on a reasonable and consistent basis and therefore accounts for the schemes as defined contribution schemes. Fund details and major assumptions at the last valuation dates (valuations are carried out using the projected unit

method): are as follows:

| | USS | SAUL |
|---|---|---|
| Latest actuarial valuation date | 31.3.2005 | 31.3.2005 |
| Market value of assets | £21,740m | £982m |
| Proportion of accrued benefits covered by the actuarial value of the assets | 77% | 93% |
| Investment returns - past service | 4.5% | 5.5% |
| Investment returns - future service | 6.2% | 6.5% |
| Salary scale increases per annum | 3.9% | 4.15% |
| Pension increases per annum | 2.9% | 2.65% |
| Employer's contribution rate | 14.0% | 13.0% |

The total pension costs for the year are disclosed in Note 6.