

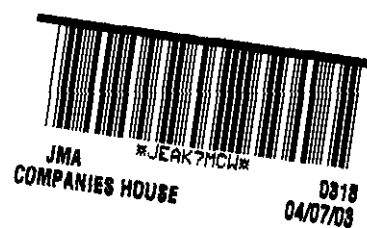
**Higher Education Careers Services Unit (A  
company limited by guarantee)**

**Trustees' report and consolidated  
financial statements**

Registered number 03155620

Charity number 1055300

31 January 2003



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## Legal and administration details

The Higher Education Careers Services Unit (HECSU) is a company limited by guarantee and a registered charity (governed by its memorandum and articles of association) which was incorporated on 1 August 1996. The organisation had previously operated as an unincorporated association. On 1 August 1996 the unincorporated association transferred all of its assets and liabilities amounting to £2,497,713 by deed of gift to HECSU.

HECSU provides support and assistance to the careers advisory services of its member institutions. This support is provided through the publication of graduate employment directories, vacancy and statistical publications and the provision of specialist career guidance and administrative software. Membership is open to all higher education institutions and is by subscription.

### Address and registered office:

Prospects House  
Booth Street East  
MANCHESTER  
M13 9EP

Charity registration number : 03155620

Company registration number : 1055300

### Members of the Board:

Professor R F Boucher - Chairman  
Mr A Nelson  
Dr J Cater  
Mr B Roper (resigned 31 October 2002)  
Mr H T B Smith  
Mr J T Bracegirdle (resigned 31 July 2002)  
Mr P Redmond  
Mr J Simpson (resigned 31 July 2002)  
Dr G Copland  
Mrs S Reeves  
Mr B Gilworth  
Mrs L Ali  
Dr J Nicholls  
Ms L Knaggs (resigned 31 July 2002)  
Professor G Slater  
Professor E Thomas  
Ms C Harvey  
Professor D Melville  
Mr S Denton (appointed 1 November 2002)  
Mr J Gough (appointed 1 August 2002)  
Mr T Butler (appointed 1 August 2002)  
Professor J Stringer (appointed 1 November 2002)

The company's Board of Trustees is responsible for its affairs. The Board is appointed as follows:

- 13 trustees appointed by CVCP (Committee of Vice-Chancellors and Principals)
- 1 trustee appointed by SCOP (Standing Conference of Principals)
- 1 trustee appointed by CSCFC (Conference of Scottish Centrally Funded Colleges)
- 3 trustees co-opted by the Board

The trustees constitute directors of the company for Companies Act purposes.

## Legal and administration details *(continued)*

**Bankers:**

National Westminster Bank plc  
115 Deansgate  
MANCHESTER  
M3 2BG

**Principal officers:**

Mr M Hill                      - Chief Executive  
S Bluck                        - Financial Controller

**Auditors:**

KPMG LLP  
St James' Square  
Manchester  
M2 6DS

**Solicitors:**

Dibb Lupton Alsop  
101 Barbirolli Square  
Manchester  
M2 3DL

**Investment advisors:**

Castlefield Investments  
3<sup>rd</sup> Floor  
Exchange Square  
Manchester  
M4 3TR

## **Trustees' report**

The trustees present their report and the audited consolidated financial statements for the year ended 31 January 2003.

### **Legal and administrative details**

Details of the registered office, trustees, principal officers and other relevant information are given on pages 1 and 2.

The governing documents of the company are its Memorandum and Articles of Association.

The financial statements have been drawn up in accordance with the Statement of Recommended Practice for Accounting and Reporting by Charities (SORP) 2000, and comply with the current statutory requirements.

### **Objects of the charity**

HECSU's charitable object is: 'The advancement of the education of students and graduates of any establishment of higher education which is a subscriber to the company by supporting and assisting the work of the careers advisory services of such subscribers.'

### **Grant making policy**

Grants are made in line with the charitable object.

Over the last year, HECSU's policy has been to pay monies directly to the Association of Graduate Careers Advisory Services (AGCAS) to help support careers services, and to make payments to AGCAS for specific purposes, namely educational bursaries and support of the AGCAS web site. HECSU has funded the distribution of paper-based careers advice and information materials to students and graduates via HE careers services. Finally, HECSU has funded relevant research and labour market information collation, and disseminated the findings.

The board has decided to set up a Research Panel and have appointed a Research Manager, with the aim of widening the range of potential projects to fund, supported by a formal grant-making process.

These policies have been implemented successfully, and new and old services have been managed in as cost-effective way as possible, taking advantage of economies of scale and falling print prices. During the year, HECSU has accepted into membership more affiliates and associates, with a consequent rise in demand for services.

### **Organisational structure**

The board of trustees of eighteen members have overall administrative responsibility. They meet twice per year to consider reports and papers from the organisation's management. Day to day responsibility is delegated to the Chief Executive, supported by a team of senior managers. No staff or management are HECSU trustees.

HECSU owns CSU Ltd the commercial subsidiary. A separate board, made up of five non-executive directors (all trustees of the charity) and three executive directors, administers CSU Limited.

A small but decreasing number of staff work solely for HECSU, while a larger number work for HECSU and CSU Limited, and their costs are allocated accordingly. The charity does not depend on any unpaid volunteers, nor does it have any other income other than that declared in the accounts.

## Trustees' report *(continued)*

### Financial results

HECSU incurred £745,895 of charitable expenditure in the year, plus £227,918 of management and administrative expenditure. The main areas of charitable expenditure were as follows:

- distributions to the AGCAS, an educational charity
- provision free of charge of information booklets to graduate careers services
- funding of educational research

The main source of income for the group is from its subsidiary, CSU Ltd, which generates income from publishing. This amounted to over £5 million in the year. The main other source of income was £199,046 of annual contributions from academic institutions.

The charity's balance sheet total is £8,605,536. This is represented by fixed assets, an equity investment, cash, and its investment in CSU Ltd. These assets are sufficient to fund current and future expected expenditure.

HECSU is actively seeking new projects to support. Several such projects have already commenced. It has appointed a new member of staff to be responsible for identifying and progressing such projects.

### Investment policy and performance

In 2000, HECSU invested £3 million in an equity investment managed by Castlefield Investments. The value of this investment at 31<sup>st</sup> January 2003 of £2,333,296 is reflected in the accounts. This investment was acquired in accordance with the powers available to the trustees. The charity's other funds are invested in short-term and medium-term deposits.

### Reserves strategy

During the year HECSU's board agreed a Reserves Strategy, the key elements of which were:

- the setting of a target of increasing annual charitable spending to £1.4m, focusing on long-term research projects
- the setting up of a Research Panel which would identify and progress potential research projects
- agreement to appoint a Research Manager to be employed by HECSU
- the setting of upper and lower free reserve limits of one year's and six months charitable spend respectively
- the setting up of a Research Fund, using existing reserves, to fully cover the full anticipated spend of long-term research projects
- the setting up of a strategic investment reserve to fund potential investment into CSU Ltd
- CSU Ltd to make future payments to HECSU via gift aid

HECSU has a close and continuing relationship with AGCAS. This body has been undergoing some considerable change during the year, and has kept HECSU informed of its changes in structure, governance and legal status. HECSU and AGCAS have agreed a series of Service Level Agreements to regulate relations between the two bodies. HECSU has received legal opinion that AGCAS remains a suitable recipient of HECSU funding.

### Risk management

Each year a budget is presented to, and agreed by, the board of trustees. The budget process includes a review of the risks facing the organisation, in line with its objectives.

A formal risk assessment, supported by an outside independent expert, will be carried out in September 2003, and this will serve as the basis for a formal ongoing risk assessment process.

## Trustees' report *(continued)*

### Principal activities

The company and the group's principal activities are publishing and software support.

During the year there were no material changes to the policies pursued by the company.

### Results

The group had a negative net movement in funds of £1,010,938. The funds carried forward at 31 January 2003 amounted to £8,521,165.

### Trustees

All trustees are guarantors of the company with a maximum liability of £1.

### Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



Professor RF Boucher  
Trustee

Prospects House  
Booth Street East  
Manchester  
M13 9EP

## Statement of trustees' responsibilities

Company Law requires the trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the charity and the group and of the excess of income over expenditure for that period. In preparing those financial statements, the trustees 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 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and the group and to prevent and detect fraud and other irregularities.





St James' Square  
Manchester M2 6DS  
United Kingdom

## **Independent auditors' report to the members of Higher Education Careers Services Unit (A company limited by guarantee)**

We have audited the financial statements on pages 8 to 25.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to the members in our auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditors**

The trustees, who are also the directors of Higher Education Careers Services Unit for the purposes of company law, are responsible for preparing the trustees' report, as described on page 6 of the financial statements, in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 Companies Act 1985. We also report to you if, in our opinion, the trustees' report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the group are not disclosed.

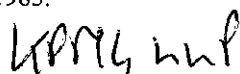
### **Basis of audit opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. 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 trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable group's circumstances, consistently applied and adequately disclosed.

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

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the affairs of the charitable company and the group as at 31 January 2003 and of the group's incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
**KPMG LLP**  
Chartered Accountants  
Registered Auditor

1 July 2003

**Consolidated summary income and expenditure account**  
*for the year ended 31 January 2003*

	Note	Year ended 31 January 2003 £	18 month period ended 31 January 2002 £
Gross income of continuing operations		305,921	436,055
Non charitable trading activities: net income			
- continuing activities	3	199,512	3,006,285
- discontinued activities	3	-	(15,092)
		<hr/> 199,512	<hr/> 2,991,193
Total income of continuing and discontinued operations		<hr/> 505,433	<hr/> 3,427,248
Total expenditure of continuing operations	4	(973,813)	(968,435)
Net (expenditure)/income for the year/period		<hr/> (468,380)	<hr/> 2,458,813

The summary income and expenditure account is derived from the statement of financial activities where detailed analysis of the income and expenditure is provided.

Turnover of non-charitable trading activities amounted to £5,848,561. A detailed analysis of the trading results is shown in note 3.

Income and expenditure totals are shown after eliminating inter company trading.

**Consolidated statement of financial activities**  
*for the year ended 31 January 2003*

	<i>Note</i>	<b>Year ended 31 January 2003 £</b>	<b>18 month period ended 31 January 2002 £</b>
<b>Incoming resources</b>			
Income resources from activities for generating funds			
- Publications		15,941	38,143
- Annual contributions		199,046	283,393
- Other income		-	30,996
		<hr/>	<hr/>
Activities for generating funds		214,987	352,532
Commercial trading operations		5,432,175	11,201,582
Investment income		158,921	274,816
		<hr/>	<hr/>
<b>Total incoming resources</b>		<b>5,806,083</b>	<b>11,828,930</b>
Less: cost of generating funds:			
Commercial trading operations		(5,300,650)	(8,401,682)
		<hr/>	<hr/>
<b>Net incoming resources available for charitable application</b>		<b>505,433</b>	<b>3,427,248</b>
		<hr/>	<hr/>
<b>Charitable expenditure</b>			
Grants payable in furtherance of the charity's object	4	(188,145)	(103,298)
Costs of activities in furtherance of the charity's object	4	(557,750)	(709,718)
Resources expended on managing and administering the charity	4	(227,918)	(155,419)
		<hr/>	<hr/>
<b>Total charitable expenditure</b>		<b>(973,813)</b>	<b>(968,435)</b>
		<hr/>	<hr/>
<b>Total resources expended</b>		<b>(6,274,463)</b>	<b>(9,370,117)</b>
		<hr/>	<hr/>
<b>Net (outgoing)/incoming resources</b>		<b>(468,380)</b>	<b>2,458,813</b>
Losses on revaluations of investment assets	12	(542,558)	(275,165)
		<hr/>	<hr/>
<b>Net movement in funds</b>	7	<b>(1,010,938)</b>	<b>2,183,648</b>
Total unrestricted funds brought forward		9,532,103	7,348,455
		<hr/>	<hr/>
<b>Total unrestricted funds carried forward</b>		<b>8,521,165</b>	<b>9,532,103</b>
		<hr/>	<hr/>

All funds are unrestricted income funds and relate to continuing operations.

**Consolidated balance sheet**  
*at 31 January 2003*

	Note	2003 £	2002 £
<b>Fixed assets</b>			
Tangible assets	11	1,970,555	1,865,497
Investments	12	2,333,296	2,875,854
		<u>4,303,851</u>	<u>4,741,351</u>
<b>Current assets</b>			
Stocks	13	4,665	3,220
Debtors	14	647,601	683,443
Cash at bank and in hand		4,762,954	5,664,604
		<u>5,415,220</u>	<u>6,351,267</u>
<b>Creditors: amounts falling due within one year</b>	15	<u>(1,197,906)</u>	<u>(1,560,515)</u>
<b>Net current assets</b>		<u>4,217,314</u>	<u>4,790,752</u>
<b>Net assets</b>		<u><u>8,521,165</u></u>	<u><u>9,532,103</u></u>
Represented by:			
<b>Unrestricted funds</b>		<u><u>8,521,165</u></u>	<u><u>9,532,103</u></u>

These financial statements were approved by the Board of Trustees on 5th June 2003 and were signed on its behalf by:



Professor R F Boucher  
Trustee

**Charitable company balance sheet**  
*at 31 January 2003*

	Note	2003 £	2002 £
<b>Fixed assets</b>			
Tangible assets	11	1,599,702	1,644,091
Investments	12	2,933,296	3,475,854
		<u>4,532,998</u>	<u>5,119,945</u>
<b>Current assets</b>			
Debtors	14	276,598	4,787,409
Cash at bank and in hand		4,603,882	1,025,907
		<u>4,880,480</u>	<u>5,813,316</u>
<b>Creditors: amounts falling due within one year</b>	15	<u>(807,942)</u>	<u>(1,043,235)</u>
<b>Net current assets</b>		<u>4,072,538</u>	<u>4,770,081</u>
<b>Net assets</b>		<u><u>8,605,536</u></u>	<u><u>9,890,026</u></u>
 Represented by:			
<b>Unrestricted funds</b>		<u><u>8,605,536</u></u>	<u><u>9,890,026</u></u>

These financial statements were approved by the Board of Trustees on 5th June 2003 and were signed on its behalf by:



**Professor R F Boucher**  
Trustee

**Consolidated cash flow statement**  
*for the year ended 31 January 2003*

	<i>Note</i>	<b>Year ended 31 January 2003</b>	<b>18 month period ended 31 January 2002</b>
		£	£
<b>Cash (outflow)/inflow from operating activities</b>		<b>(458,168)</b>	<b>3,112,344</b>
<b>Returns on investments and servicing of finance</b>			
Investment income received		158,921	265,314
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(373,157)	(204,569)
Sale of tangible fixed assets		-	128,755
Receipts from repayments of CVCP loan		20,000	60,000
		<b>(353,157)</b>	<b>(15,814)</b>
<b>Cash (outflow)/inflow before management of liquid resources</b>		<b>(652,404)</b>	<b>3,361,844</b>
<b>(Decrease)/increase in cash in the year/period</b>	<i>18</i>	<b>(652,404)</b>	<b>3,361,844</b>

**Reconciliation of net cash flow to movement in net debt**  
*for the year ended 31 January 2003*

	<b>Year ended 31 January 2003</b>	<b>18 month period ended 31 January 2002</b>
	£	£
<b>(Decrease)/increase in cash in the year/period</b>	<b>(652,404)</b>	<b>3,361,844</b>
<b>Change in net debt resulting from cash flows</b>	<b>(652,404)</b>	<b>3,361,844</b>
<b>Net debt at the start of the year/period</b>	<b>5,415,358</b>	<b>2,053,514</b>
<b>Net debt at the end of the year/period</b>	<b>4,762,954</b>	<b>5,415,358</b>

**Reconciliation of net resources to cash flow from operating activities**  
*for the year ended 31 January 2003*

	<b>Year ended 31 January 2003 £</b>	<b>18 month period ended 31 January 2002 £</b>
<b>Net (outgoing)/incoming resources</b>	<b>(468,380)</b>	<b>2,458,813</b>
(Increase)/decrease stocks	(1,445)	74,304
Decrease in debtors	15,842	734,630
Decrease in creditors	(113,369)	(248,261)
Depreciation	266,849	354,063
Loss on disposal of fixed assets	1,256	4,109
Investment income	(158,921)	(265,314)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(458,168)</b>	<b>3,112,344</b>

## Notes

(forming part of the financial statements)

### 1 Status of charitable company and liability of Trustees

Higher Education Careers Services Unit is a registered charity and a company limited by guarantee. Each trustee undertakes to contribute to the assets of the company in the event of it being wound up. This sum shall not exceed £1.

### 2 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group's financial statements. The company has followed the transitional arrangements of FRS 17 'Retirement Benefits' in these financial statements.

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards, the Companies Act 1985, in accordance with the Statement of Recommended Practice for Accounting and Reporting by Charities (SORP) issued in October 2000 and under historical cost accounting rules, except for the revaluation of listed investments.

#### *Basis of consolidation*

The consolidated financial statements include financial statements of the company and its subsidiary undertakings made up to 31 January 2003. The acquisition method of accounting has been adopted.

Under Section 230(4) of the Companies Act 1985 and paragraph 304 of SORP 2000 the company is exempt from the requirement to present its own Statement of Financial Activities or income and expenditure account.

#### *Investments*

In the company's financial statements, investments in subsidiary undertakings are stated at cost less amounts written off.

Listed investments are included at market value. The movements in market value are shown in the consolidated Statement of Financial Activities as an unrealised gain or loss on investment assets.

#### *Fixed assets and depreciation*

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Buildings	-	2% per annum
Printing equipment	-	10% per annum
Plant and computer equipment	-	33.33% per annum
Fixtures and fittings	-	20% - 33.33% per annum.

#### *Leases*

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.



## Notes (continued)

### 2 Accounting policies (continued)

#### *Stocks and work in progress*

Stocks and work in progress are stated at the lower of cost and net realisable value.

#### *Incoming resources*

Income from commercial activities and annual contributions are included in the period in which the group is entitled to receipt.

#### *Interest receivable*

Interest is included when receivable by the group.

#### *Resources expended*

Resources expended are included in the Statement of Financial Activities on an accruals basis. Certain expenditure which is directly attributable to specific activities has been included in those cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities.

#### *Taxation*

The company is a registered charity and by virtue of its trading activities being in fulfilment of the objects of the charitable company, the charitable company is exempt from corporation tax on all charitable activities. The charge for taxation on the subsidiary company's non charitable activities is based on the result for the period.

#### *Post retirement benefits*

The group participates in two pension schemes providing benefits based on final pensionable pay. The assets of the schemes are held separately from those of the group. Contributions to the schemes are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the group.

#### *Jointly conducted activities*

The group's share of surpluses arising on jointly conducted activities has been included on a receivable basis.

#### *Cash*

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts repayable on demand.

## Notes (continued)

### 3 Net income from trading activities of subsidiaries

The charitable company has one wholly owned trading subsidiary which is incorporated in the United Kingdom. CSU Limited operates in the publishing and software support industry. The company pays all its profits to Higher Education Careers Services Unit by gift aid. A summary of the trading results is shown below. The comparative results for the 18 month period ended 31 January 2002 includes the discontinued activities of Campus Print Limited which was dormant throughout the year ended 31 January 2003.

#### Profit and loss account

	Total Year ended 31 January 2003	Continuing activities CSU Limited	Discontinued activities Campus Print Ltd	Total 18 month period ended 31 January 2002
	£	£	£	£
Turnover	5,848,561	11,302,940	-	11,302,940
Cost of sales	(1,836,130)	(2,442,844)	(6,797)	(2,449,641)
Gross profit	4,012,431	8,860,096	(6,797)	8,853,299
Selling and distribution	(1,742,965)	(2,566,431)	(14)	(2,566,445)
Administration expense	(2,137,941)	(3,482,315)	(8,281)	(3,490,596)
Interest receivable	67,987	194,935	-	194,935
Net profit/(loss)	199,512	3,006,285	(15,092)	2,991,193
Gift Aid payment to Higher Education Careers Services Unit	(217,621)	(3,386,449)	56,006	(3,330,443)
(Absorbed by)/retained in subsidiary	(18,109)	(380,164)	40,914	(339,250)

The assets and liabilities of the subsidiary were.

	2003 £	2002 £
Fixed assets	370,861	221,415
Current assets	784,268	5,706,939
Creditors: amounts falling due within one year	(978,274)	(5,733,390)
Total net assets	176,855	194,964

**Notes (continued)**

**4 Analysis of resources expended**

***Grant expenditure***

	Year ended 31 January 2003 £	18 months ended 31 January 2002 £
<b><i>Recipient:</i></b>		
NICEC	56,732	92,452
Careers research initiative	-	9,961
Hero	20,500	-
NPC research	12,000	-
Cheri	25,875	-
Lifelong Learning	38,000	-
Cas & Diversity	14,348	-
UUK	20,000	-
Other	690	885
	<u>188,145</u>	<u>103,298</u>

Grants were made for the following:

	Year ended 31 January 2003 £	18 months ended 31 January 2002 £
Research in the furtherance of charity's objects	146,955	103,298
Provision of support to member institutions	41,190	-
	<u>188,145</u>	<u>103,298</u>

	Year ended 31 January 2003 £	18 months ended 31 January 2002 £
<b><i>Direct charitable expenditure:</i></b>		
Distributions to AGCAS	224,586	304,370
Careers Information Development Department	-	308,122
AGCAS information booklets and support activities	333,164	97,226
	<u>557,750</u>	<u>709,718</u>

AGCAS is a registered charity based at the University of Sheffield, which engages in similar activities to those of HECSU.

**Notes** *(continued)*

**4 Analysis of resources expended** *(continued)*

	Year ended 31 January 2003 £	18 months ended 31 January 2002 £
<i>Management and administration expenditure:</i>		
Salaries and related costs	52,063	70,891
Premises costs	7,179	29,457
Other	43,974	55,071
Exceptional cost (see note 7)	124,702	-
	<hr/> 227,918 <hr/>	<hr/> 155,419 <hr/>

**5 Remuneration of trustees**

None of the trustees, nor any persons connected with them, received any remuneration or were reimbursed any expenses in respect of their services to the group in the current or preceding periods.

**6 Staff numbers and costs**

The average number of persons employed by the company (excluding trustees) during the year, analysed by category was as follows:

	Number of employees Year ended 31 January 2003	18 month period ended 31 January 2002
Office and management	93	94

The aggregate payroll costs of these persons were as follows:

	Year ended 31 January 2003 £	18 month period ended 31 January 2002 £
Wages and salaries	2,158,667	3,252,984
Social security costs	157,147	254,655
Other pension costs	40,926	55,213
	<hr/> 2,356,740 <hr/>	<hr/> 3,562,852 <hr/>

Included in wages and salaries is a staff bonus of £nil (2002:£131,184).

## Notes (continued)

### 6 Staff numbers and costs (continued)

Remuneration of higher paid staff earning in excess of £50,000, excluding employer's pension contributions were in the following ranges:

	Year ended 31 January 2003 £	18 month period ended 31 January 2002 £
£50,000-£60,000	1	1
£60,000-£70,000	1	1
	<u>2</u>	<u>2</u>

### 7 Net movement in funds

	Year ended 31 January 2003 £	18 month period ended 31 January 2002 £
<i>Net movement in funds is stated</i>		
<i>after charging:</i>		
Auditor's remuneration:		
Audit services - group	11,000	10,300
Audit services - parent	6,000	4,300
Depreciation	266,849	354,063
Operating lease rentals	10,200	10,200
Loss on sale of tangible fixed assets	1,256	4,109
Exceptional cost relating to write off of pension prepayment	124,702	-
	<u>124,702</u>	<u>-</u>

### 8 Investment income

	Year ended 31 January 2003		18 month period ended 31 January 2002	
	Group £	Charitable company £	Group £	Charitable company £
Bank interest				
- charitable company	84,825	84,825	70,379	70,379
- trading subsidiaries	67,987	-	194,935	-
	<u>152,812</u>	<u>84,825</u>	<u>265,314</u>	<u>70,379</u>

## Notes (continued)

### 9 Jointly conducted activities

Together with AGCAS and the Association of Graduate Recruiters, the group is involved in the organisation of a series of specialist fairs and career conferences. The group's share of the income and expenditure on any event is generally one third.

### 10 Covenanted payments received from subsidiary undertakings

The company's subsidiary undertakings have gift aided a payment to the Higher Education Careers Services Unit in this accounting period, an annual sum equal to taxable profits of the company for that period.

	Year ended 31 January 2003 £	18 month period ended 31 January 2002 £
Current period (gross)	217,621	3,330,443

### 11 Tangible fixed assets

#### Group

	Freehold Buildings £	Printing equipment £	Plant and computer equipment £	Fixtures and fittings £	Total £
<b>Cost</b>					
At beginning of year	1,750,704	144,783	842,365	222,676	2,960,528
Additions	-	-	362,177	10,988	373,165
Disposals	-	(8,722)	-	(11,266)	(19,988)
At end of year	1,750,704	136,061	1,204,542	222,398	3,313,705
<b>Depreciation</b>					
At beginning of year	137,163	118,384	693,750	145,734	1,095,031
Charge for the period	35,015	10,306	184,720	36,808	266,849
On disposals	-	(8,722)	-	(10,008)	(18,730)
At end of year	172,178	119,968	878,470	172,534	1,343,150
<b>Net book value</b>					
At 31 January 2003	1,578,526	16,093	326,072	49,864	1,970,555
At 31 January 2002	1,613,541	26,399	148,615	76,942	1,865,497

**Notes (continued)**

**11 Tangible fixed assets (continued)**

The group net book value at 31 January 2003 represents fixed assets used for:

	Freehold buildings	Printing equipment	Plant computer equipment	Fixtures and fittings	Total
	£	£	£	£	£
Direct charitable purposes	1,578,526	-	5,963	15,211	1,599,700
Other purposes Management and administration	-	16,093	320,109	34,653	370,855
	<u>1,578,526</u>	<u>16,093</u>	<u>326,072</u>	<u>49,864</u>	<u>1,970,555</u>

**Charitable company**

	Freehold buildings	Fixtures and fittings	Plant	Total
	£	£	£	£
<b>Cost</b>				
At beginning of year	1,750,704	32,173	15,302	1,798,179
Additions	-	175	-	175
	<u>1,750,704</u>	<u>32,348</u>	<u>15,302</u>	<u>1,798,354</u>
<b>Depreciation</b>				
At beginning of year	137,163	10,646	6,279	154,088
Charge for period	35,015	6,491	3,058	44,564
	<u>172,178</u>	<u>17,137</u>	<u>9,337</u>	<u>198,652</u>
<b>Net book value</b>				
At 31 January 2003	<u>1,578,526</u>	<u>15,211</u>	<u>5,965</u>	<u>1,599,702</u>
At 31 January 2002	<u>1,613,541</u>	<u>21,527</u>	<u>9,023</u>	<u>1,644,091</u>

**Notes (continued)**

**12 Investments**

<b>Group</b>			<b>2003</b>
Indirect investment in quoted UK investments			£
<i>Acquisition at cost</i>			3,000,000
Net loss on revaluation at 31 January 2003			(666,704)
			<hr/>
Market value at 31 January 2003			<b>2,333,296</b>
			<hr/>
<b>Company</b>	<b>Shares in subsidiary undertakings</b>	<b>Indirect investment in quoted UK investments</b>	<b>Total</b>
	£	£	£
At 31 January 2002	600,000	2,875,854	3,475,854
Net losses on revaluation	-	(542,558)	(542,558)
	<hr/>	<hr/>	<hr/>
Market value at 31 January 2003	<b>600,000</b>	<b>2,333,296</b>	<b>2,933,296</b>
	<hr/>	<hr/>	<hr/>

The following companies, all of which are registered in England, are wholly owned by the company, either directly or indirectly.

	<b>Principal activity</b>	<b>Percentage of ordinary share capital held</b>	<b>Shareholder's funds at 31 January 2003</b>	<b>Profit/(loss) for the year</b>
			£	£
CSU (Publications) Ltd*	Dormant	100%	435,035	-
CSU (Software Support) Ltd*	Dormant	100%	(239,878)	-
Campus Print Ltd*	Dormant	100%	(148,038)	-
National Council for Work Experience	Dormant	Sole member	-	-
CSU Ltd	Publishing and software support	100%	176,855	(18,109)
*Share capital held by CSU Limited			<hr/>	<hr/>

In the opinion of the directors the value of the investments is not less than that stated in the financial statements.

**13 Stocks**

<b>Group</b>	<b>2003</b>	<b>2002</b>
	£	£
Work in progress	<b>4,665</b>	<b>3,220</b>
	<hr/>	<hr/>

The charitable company holds no stocks.



**Notes (continued)**

**14 Debtors**

	2003 Group	Charitable company	2002 Group	Charitable company
	£	£	£	£
Trade debtors	473,760	11,602	447,669	17,158
Other debtors	65,587	15,147	40,390	12,907
Amounts owed by subsidiary undertakings	-	249,849	-	4,612,520
Loan due from Committee of Vice Chancellors and Principals (CVCP)	-	-	20,000	20,000
Pension prepayment	-	-	124,702	124,702
Other prepayments	108,254	-	50,682	122
	<u>647,601</u>	<u>276,598</u>	<u>683,443</u>	<u>4,787,409</u>

**15 Creditors: amounts falling due within one year**

	2003 Group	Charitable company	2002 Group	Charitable company
	£	£	£	£
Bank overdraft	-	-	249,246	165,045
Trade creditors	282,453	-	153,419	-
Other creditors	470,238	431,877	438,724	407,735
Accruals and deferred income	445,215	376,065	719,126	470,455
	<u>1,197,906</u>	<u>807,942</u>	<u>1,560,515</u>	<u>1,043,235</u>

## Notes (continued)

### 15 Creditors: amounts falling due within one year (continued)

	Group £	Company £
<b>Deferred income</b>		
Balance at beginning of year	94,465	94,465
Amount released to incoming resources	(94,465)	(94,465)
Amount deferred in year	87,620	87,620
	<hr/>	<hr/>
Balance at end of year	87,620	87,620
	<hr/>	<hr/>

Deferred income comprises contribution for membership services to be provided in future accounting periods.

### 16 Pension arrangements

The employees of the group are members of either the University of Manchester Superannuation Scheme (UMSS) or the Universities Superannuation Scheme (USS). These schemes provide benefits based on final pensionable pay, contributions being charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The schemes are defined benefit schemes which are externally funded and the assets of the schemes are held separately from the company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the aggregate method. The pension costs are assessed using the projected unit method. The assumptions and other data, which have the most significant effect on the determination of the contribution levels are as follows:

	UMSS	USS
Investment returns per annum	5.2%	5.5%
Salary scale increases per annum	3.4%	3.5%
Pension increases per annum	2.4%	2.5%
Market value of assets at date of last valuation	£205m	£18,815m
Proportion of members' accrued benefits covered by the actuarial value of the assets	152%	108%
Date of latest actuarial valuation	31 July 2001	31 March 1999

As a result of the surplus identified in the latest actuarial valuations, the principal employer is currently enjoying a contribution holiday.

In total, the contributions paid by the group during the period were £40,926 (*period ended 31 January 2002: £55,219*). There were no accrued contributions at the end of either the current or preceding year. As at 31 January 2003, there were prepaid contributions of £nil (*period ended January 2002: £124,702*) (see note 7).

## Notes (continued)

### 16 Pension arrangements (continued)

Whilst the company continues to account for pension costs in accordance with Statement of Standard Accounting Practice 24 "Accounting for pension costs", under Financial Reporting Standard 17 "Retirement benefits", the following transitional disclosures are required in respect of the UMSS:

The major assumptions used in this valuation were:

	2003	2002
Rates of increase in salaries	3.4%	3.4%
Rate of increase in pensions in payment	2.4%	2.4%
Discount rate	5.9%	5.9%
Inflation assumption	2.4%	2.4%

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions, which due to the timescale covered may not necessarily be borne out in practice on a consistent and reasonable basis.

As the group is unable to identify its share of the underlying assets and liabilities of these schemes and therefore, on adoption of FRS 17 and as required, it will account for the schemes as if they were defined contribution schemes. As a result the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the relevant accounting period. The transitional disclosures prepared by the actuaries for the principal employer in accordance with Financial Reporting Standard 17, show that the schemes are in surplus.

### 17 Operating lease commitments

Annual commitments under non-cancellable operating leases are as follows:

#### Group and company

	Land and buildings 2003	2002
	£	£
Leases which expire: After more than 5 years	10,200	10,200

### 18 Analysis of net debt

	At beginning of year £	Cash flow £	At end of year £
Cash in hand, at bank	5,664,604	(901,650)	4,762,954
Overdrafts	(249,246)	249,246	-
<b>Total</b>	<b>5,415,358</b>	<b>(652,404)</b>	<b>4,762,954</b>