The experienced reader of Annual Accounts will see from this set of accounts that Anglia Ruskin University has enjoyed a successful financial year and that we remain in good financial health. Indeed, we are well set up for the future both in terms of our expenditure being under control in relation to our income and in terms of our capacity to invest in our future which, given that we are still a young university, is so strategically important to us.

At the time of writing (December 2008) we have seen a continued upturn in our share of full-time applications and we have almost 650 more full-time undergraduate students than for the financial year which is the subject of these accounts. The prospect is encouraging since in most areas of activity we look to have exceeded our target numbers, though part-time recruitment has levelled off somewhat.

But the context remains uncertain. Out of the blue, in the middle of this financial year, the government announced its hotly debated policy of not funding students to study for qualifications at a level equivalent or lower than those they already hold. The consequences of this decision are a cut in funding to be phased in over the next three years of some £3.7million: a massive adjustment to have to make and one which has materially affected our financial planning. This has been made worse very recently because the prospect of making up the gap by expanding student numbers has been set back now that the government can no longer afford such expansion. And on top of all this, HEFCE are also looking at the funds it awards us for Widening Participation with a view to a downward adjustment of some £430,000. While we can organise ourselves around these cuts to maintain our strong overall financial position, given that all of our development has to come from the balance sheet, these changes make medium and long term planning extremely difficult.

However, during the last year we have begun to make our agreed Vision a reality and have invested in a number of initiatives which will continue to push Anglia Ruskin forwards academically. We were delighted at the outcome of our most recent QAA audit which expressed confidence in the processes by which we monitor and maintain academic standards. It was also pleasing to receive a package of government funding worth in excess of £10million to take forward our work on delivering degree-level study in the workplace to a much greater scale.

To have made the rapid progress which has been achieved in the last 12 months takes great teamwork and I would like to acknowledge all the hard work and dedication of my excellent colleagues who are really committed to an ambitious future for Anglia Ruskin University.

Professor Michael Thorne BSc (Hons) PhD FIMar FBCS FRSA
Vice Chancellor
“...we have begun to make our agreed Vision a reality and have invested in a number of initiatives which will continue to push Anglia Ruskin forwards academically.”
Our University
This year has been one of significant change under the leadership of our Vice Chancellor, Professor Michael Thorne, who joined us in January 2007. We have positioned ourselves in a highly effective way for growth, development and progress. Our University is growing in both strength and stature. Its scope, reach and influence are increasing year-on-year as we continue to refine the services we offer students, businesses and the wider community.

We teach students skills that will equip them for life and we conduct research in order to create new knowledge for the benefit of the economy, the community and society as a whole. Through our partnerships with business, industry and the public sector, our commitment is to become an economic, social and cultural dynamo for the East of England.

Our students
The total number of students registered with Anglia Ruskin University was 25,556 (16,137 full-time equivalent) including over 2,334 (1,373 full-time equivalent) students who studied at our partner Colleges in the East of England. More than 2,000 of our students studied with partner institutions overseas.

In certain key sectors of our operation, I am pleased to say that we have maintained our position of strength. For example, in the recruitment of undergraduate health care students funded by the Strategic Health Authority (SHA) despite the many challenges with which we have been confronted, we have remained on a par with 2007 and the partnership and commitment between parties remain strong. Similarly, the number of places allocated for Initial Teacher Training (ITT) funded by the Training and Development Agency (TDA), has also remained steady. Moreover, our student body is truly an international one. Each year, we welcome students from some 200 countries worldwide. Over and above international student recruitment, we have constructed an international network of partner institutions around the world. Such global links bring very many positive benefits for all students and staff, as well as a real international dimension to our activities and ambitions.

Not only are we a force to be reckoned with in terms of student numbers, we are rapidly gaining prominence both nationally and internationally for the quality of our provision. We are one of the largest campus-based providers of face-to-face, part-time education within the whole of the UK. Within the East of England, we are the largest provider of undergraduate courses in Subjects Allied to Medicine and in the subject area of Architecture, Building and Planning. Furthermore, within our region, we are the number one provider of nurses, midwives, teachers and other professionals such as chartered surveyors.

Building for the future
The Board’s strategy to relocate our operations in Chelmsford, from the Central Campus to the Rivermead Campus, was successfully completed with the opening of the £15.8m building developments for the Faculties of Science & Technology and Arts, Law & Social Sciences, in May 2008. There are now exciting prospects for our Cambridge Campus at East Road, with a £40m plan for a highly impressive redevelopment of the heart of the campus. Further, a £4.5m property was purchased in December 2007 which significantly increases our student residences at the Cambridge Campus.

We have a joint venture arrangement with Peterborough Regional College (PRC) in the form of the University Centre Peterborough. In September 2009, we will open a new £10m purpose-built facility, created for the exclusive use of higher education students, at what is now our Peterborough Campus.

The contract for the sale of Danbury Park was completed on 29th October 2007. The sale of Central Campus in Chelmsford was completed on 18th December 2006 with the sale proceeds receivable in six annual instalments which commenced in December 2007. These capital receipts have made, and are continuing to make, a significant contribution to financing our capital programme. The new Health & Social Care building at Rivermead Campus was funded, in the main, by this sale, as well as part funding from the East of England Strategic Health Authority.

Our Accounts
The Accounts comprise the consolidated results of the Higher Education Corporation (Anglia Ruskin University), its subsidiaries and associated company and the Anglia Trust. The subsidiary companies undertake complementary activities which, for legal or commercial reasons, are more appropriately channelled through limited companies. Such activities include conferences, short courses and consultancy for a wide range of commercial organisations, as well as property development and property management for Anglia Ruskin University. Ixion Holdings Ltd joined the Group on 24th July 2008 and their accounts have been fully consolidated from that date.

Our results
The total income for the year increased by 10.5% with grants from the Higher Education Funding Council for England (HEFCE) increasing by £3.308m (7.2%).

Peterborough Regional College joined us as a partner this year for the first time transferring in 318 FTEs of HEFCE funded numbers and associated grant of £1.652m.

Our two contracts with the SHA for the provision of pre and post nursing & midwifery education in Cambridgeshire and Essex were combined in September 2008. Income in respect of rent and other services provided by the SHA that had previously been netted off the contract price in the Cambridgeshire contract is now shown gross, in line with the previous practice in the Essex contract.
This is the second year of the new Government policy for variable tuition fees for full-time undergraduate UK/EU students that has seen the regulated tuition fee increase from £1,125 to £3,070.

The historical cost surplus of £4.337m, before exceptional items, FRS 17 and property gains, is £2.837m better than the original budget. See table A.

The accumulated Income and Expenditure Account now stands at £43.805m (before the effect of FRS 17). Net assets increased by 6.9% to £85.290m (before the FRS 17 pension liability).

The Board agreed proposals to reduce staffing costs through a carefully managed voluntary severance scheme. These accounts provide for exceptional restructuring costs of £2.591m. However, this produces net annual savings of £3.500m which started from 1 September 2007.

The exceptional items, a deficit of £0.554m, detailed in the following financial statements, is in respect of: staff restructuring costs of £2.591m; a one-off receipt from the HEFCE relating to the realignment of student numbers in the Region; and an amount of £1.337m arising from the consolidation of Ixion Holdings Ltd - the excess of net assets over cost.

This is the third year we have had to account fully for our pension liabilities in accordance with the requirements of FRS 17 for our membership of the local government pension schemes. Figures provided by the Schemes’ actuaries show that the net deficit for the Group is £39.697m. This compares with £19.769m for 2007. Further details about the accounting treatment are given in table B below:

Our Auditors
A resolution to re-appoint Scrutton Bland as Anglia Ruskin University's auditors, was submitted to the Board of Governors on 24th November 2008.

<table>
<thead>
<tr>
<th></th>
<th>2007/8</th>
<th>2006/7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>£121.7m</td>
<td>£110.1m</td>
</tr>
<tr>
<td>Historical cost surplus before exceptional items, FRS 17 and property gains</td>
<td>£4.337m</td>
<td>£1.855m</td>
</tr>
<tr>
<td>Historical cost surplus after exceptional items, FRS 17 and property gains</td>
<td>£1.941m</td>
<td>£0.595m</td>
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<tr>
<td>Accumulated historical cost surplus before FRS 17 reserve</td>
<td>£43.8m</td>
<td>£40.0m</td>
</tr>
<tr>
<td>Accumulated historical cost surplus after FRS 17 reserve</td>
<td>£4.1m</td>
<td>£20.3m</td>
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<tr>
<td>Net assets before FRS 17 pension liability</td>
<td>£85.3m</td>
<td>£79.8m</td>
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<tr>
<td>Net assets after FRS 17 pension liability</td>
<td>£45.6m</td>
<td>£60.0m</td>
</tr>
<tr>
<td>Net cash inflow from operating activities</td>
<td>£5.3m</td>
<td>£6.6m</td>
</tr>
</tbody>
</table>

A. 2007/8 | 2006/7
---|---
Historical cost surplus after taxation and endowments | 1.941 | 0.595
Adjusted for the following:
Exceptional items (note 9) | 0.554 | 1.872
Realisation of property revaluation gains | - | (1.901)
FRS 17 | 1.842 | 1.289
Historical cost surplus before exceptional items, realisation of property revaluation gains and FRS 17 | 4.337 | 1.855

B. Accounting Treatment for FRS 17

<table>
<thead>
<tr>
<th></th>
<th>2007/8</th>
<th>2006/7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance Sheet</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net pension liability b/f</td>
<td>(19.769)</td>
<td>(22.022)</td>
</tr>
<tr>
<td>Net pension liability c/f</td>
<td>(39.697)</td>
<td>(19.769)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income and Expenditure Account</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff costs</td>
<td>(0.028)</td>
<td>(0.490)</td>
</tr>
<tr>
<td>Staff costs – past service gain</td>
<td>(1.173)</td>
<td>(0.146)</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>3.841</td>
<td>0.011</td>
</tr>
<tr>
<td>Interest payable</td>
<td>(4.482)</td>
<td>(0.664)</td>
</tr>
<tr>
<td></td>
<td>(1.842)</td>
<td>(1.289)</td>
</tr>
<tr>
<td>STRGL*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Actuary (loss)/gain</td>
<td>(18.086)</td>
<td>3.542</td>
</tr>
<tr>
<td></td>
<td>(19.928)</td>
<td>2.253</td>
</tr>
</tbody>
</table>

* Statement of total recognised gains and losses

Further details can be found in the Accounts (See Note 28).
The Future

We are passionate about the advancement of knowledge and the education of students. We take university education in imaginative, new directions. We are important to the region and want to be viewed in the UK and internationally as exceptional. We seek to improve our research base and standing and to meet our aspirations for partnership with the business community. Our values embrace a sense of belonging, academic ambition, innovation and the maintenance of a fully supportive work environment characterised by a spirit of honesty and openness in our dealings with all. As a community, we are committed to protecting the environment and reducing any adverse impact we may have on it.

We are in the process of creating a distinct intellectual identity for our University through the outstanding output of our five Faculties. We are building on our specialist research areas by harnessing professional strength, unique insight and sheer excellence, and are fully determined to become internationally known for these important niches. Our Regional Collaborative Partnerships has been one of the largest in the UK. HEFCE awarded us £10m from its Strategic Development Fund (SDF), subject to matched funding, to enable Anglia Ruskin University to develop new, strategic, higher education campuses in Peterborough and Harlow.

Matched funding will be available from other external sources, including the East of England Development Agency (EEDA). Joint venture companies have been created between ourselves and the College of West Anglia – (University Centre King’s Lynn) and Peterborough Regional College (University Centre Peterborough).

We have been successful with our bid to HEFCE’s Strategic Development Fund for a major development of our Employer Engagement Activity (delivering degrees in the workplace). We have been awarded £5.7 million in cash over three years together with an additional 1,000 full-time places – bringing the value of the award to more than £10 million.

Ixion Holdings Limited, the leading business and skills support provider to the Thames Gateway Region, London, East of England, South East of England and East Midlands, joined us in July 2008, creating an integrated education and skills offering with a turnover of some £14m. As an employer-led, specialist organisation, Ixion will continue to provide tailored, government-funded, business-to-business support, including brokerage, skills development training, knowledge transfer and business creation both nationally and internationally and will help considerably in our delivery of our Employer Engagement Activity.

At the Rivermead Campus, a new Postgraduate Medical Institute (PMI) for regional medical staff was launched in March 2008. The Institute, led by medical academics in partnership with twelve healthcare organisations from around the East of England, will provide a regional nucleus for postgraduate education and training, alongside medical research and development.

As mentioned above, variable tuition fees were introduced for new full-time, undergraduate UK/EU students in academic year 2006-07, along with a renewed emphasis on improving student retention and ensuring fair access and widening participation. Our fee structure meets these goals and provides a supportive package of scholarships dependent on academic progress.

On behalf of the Board, I should like to express my sincere thanks to my fellow Governors, the Vice Chancellor, management and staff for their sustained efforts and very high commitment levels shown over the past year, which continue to make Anglia Ruskin a successful University.

Kate Barker
Chairman
24th November 2008

“We are passionate about knowledge and the education of students. We take university education in imaginative, new directions.”
We are passionate about the advancement of knowledge and the education of students. We take university education in imaginative, new directions.”
Corporate Governance

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

Anglia Ruskin University endeavours to conduct its business in accordance with 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 institutions of higher education which has been provided by the Committee of University Chairmen in its ‘Guide for Members of Governing Bodies of Universities and Colleges in England, Wales and Northern Ireland’.

Anglia Ruskin University is an independent corporation, established as a Higher Education Corporation under the terms of the Education Reform Act 1988 and the Further and Higher Education Act 1992. Its objects, powers and framework of governance are set out in the Articles of Government which were approved by the Privy Council in April 1989. The current version of the Articles was approved by the Privy Council in April 1995.

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

The Board has a majority of independent members, chosen in line with strict criteria contained in the legislation. It is customary for the Chairman of the Board to be elected from the independent members. There is also provision for the appointment of co-opted members, some of whom may be members of the staff of Anglia Ruskin University, and for representatives of the Senate and of the student body. No members of the Board receive any reimbursement for the work which they do for the Board.

Subject to the overall responsibility of the Board of Governors, the Senate has oversight of our academic affairs and draws its membership entirely from the staff and students of Anglia Ruskin University. It is particularly concerned with general issues relating to our teaching and research work. The Vice Chancellor is the head of Anglia Ruskin University who has a general responsibility to the Board of Governors for the organisation, direction and management of our University.

Under the terms of the formal Financial Memorandum between Anglia Ruskin University and the Higher Education Funding Council for England, the Vice Chancellor is the designated officer of Anglia Ruskin University and in that capacity can be summoned to appear before the Public Accounts Committee of the House of Commons.

The Board of Governors meets at least four times a year. During the year, average attendance at meetings was 79%. Whilst certain matters e.g. approval of the strategic plan and annual budget, major investments and the sale and purchase of land are reserved matters for the Board, much of its detailed work is initially handled by sub-committees, including a Finance and General Purposes Committee, a Remuneration Committee, a Nominations Committee, a Capital Projects Steering Group, an Employment Committee, a Student Matters Committee and an Audit and Compliance Committee. A significant proportion of the membership of these committees consists of independent and co-opted members of the Board of Governors, other than co-opted student and staff members, who are not eligible to serve on these committees, except for the Nominations Committee. The Student Matters Committee currently has a majority of student representative membership. The Chairman may be selected from the co-opted and independent members serving on the committees.

The Nominations Committee of the Board meets on a regular basis to consider the skills mix of existing Board Members and to identify criteria against which new Members should be recruited. The Committee meets with potential Board Members and reports are made as necessary to the Board of Governors which has responsibility for the appointment and re-appointment of Members.

Each Committee is required to undertake a periodic performance review and a full review of the Board and its activity is commissioned normally every two to three years.

As chief executive, the Vice Chancellor exercises considerable influence upon the development of our strategy, the identification and planning of new developments and the shaping of Anglia Ruskin University ethos. Other members of the Vice Chancellors Group all contribute in various ways to this aspect of the work, but the ultimate responsibility for what is done rests with the Vice Chancellor.

The Board Chairman during the year 2007-08 was Ms Kate Barker. Ms Barker has been a member of the Bank of England’s interest-rate setting Monetary Policy Committee since 2001. She is also a member of the Board of the Housing Corporation. Her career includes periods as the chief European economist at Ford of Europe in Brentwood, and as chief economic adviser at the Confederation of British Industry.

Anglia Ruskin University maintains a Register of Interests of Board members which may be consulted by arrangement with the Clerk to the Board of Governors.

In accordance with the Articles of Government Mr S G Bennett has been appointed as Clerk to the Board and, in that capacity, he provides independent advice on matters of governance to all Board members.
Environmental Management and Sustainability

Anglia Ruskin has implemented a variety of environmental initiatives over the last few years enabling us to achieve a fourth place ranking in the People and Planet’s University Green League (Student pressure group).

We have also participated in the East of England’s Business in the Community (BiTC) Environmental Index achieving a score of 62%. This is a commendable score for a new entrant into this corporate benchmarking tool and we will be participating in this for 08/09 on a national basis under the ‘Universities that Count’ scheme.

Risk Management and Internal Control

The Board is satisfied that Anglia Ruskin University has adequate resources to continue in operation for the foreseeable future; for this reason the going concern basis continues to be adopted in the preparation of financial statements. It acknowledges its responsibility for ensuring that an effective system of internal control is maintained and operated by Anglia Ruskin University.

The Board has established the processes to comply with the revised directions from HEFCE for the identification, evaluation and management of risks the University faces. The following is a full statement of Anglia Ruskin University’s internal control and risk management policy that has applied during the financial year 2007-08.

1. As the governing body of Anglia Ruskin University, the Board has responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which we are responsible, in accordance with the responsibilities assigned to the governing body in the instrument and articles and the Financial Memorandum with the HEFCE.

2. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

3. The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process has been in place for the year ended 31 July 2008 and up to the date of approval of the financial statements, and accords with the HEFCE guidance.

4. As the governing body, the Board has responsibility for reviewing the effectiveness of the system of internal control. The following processes have been established:

   a. The Board meets four times a year to consider the plans and strategic direction of the institution.

   b. The Board receives regular reports from the Chairman of the Audit & Compliance Committee concerning internal control, and additionally regular reports from managers on the steps being taken to manage risks in their areas of responsibility, including progress reports on key projects.

   c. The Board has requested that the Audit & Compliance Committee has oversight of the risk management programme.

   d. The Audit & Compliance Committee receives regular reports from the Internal Audit Service, which include internal audit’s independent opinion on the adequacy and effectiveness of the institution’s system of internal control, together with recommendations for improvement.

   e. A system of key performance and risk indicators has been developed and the Board has requested the internal auditors to ensure that the methodology conforms to Government Internal Audit Standards (GIAS) and the latest professional standards in the adoption of risk management methodology.

   f. A robust risk prioritisation methodology based on risk ranking has been established.

   g. A corporate risk register is maintained. Academic Faculties and Support Services determine their own as part of a consultative process. All registers are regularly reviewed and updated.

   h. Training has been implemented to ensure that appropriate staff receive adequate training in risk management techniques.

   i. Reports are received from budget holders, support service heads and project managers on internal control activities and risk management has been fully incorporated into the corporate planning and decision making of Anglia Ruskin University.

   j. During the year the internal auditors specifically reviewed the effectiveness of the risk management system and found it to be substantially sound.

The work of internal audit is informed by an analysis of the risks to which Anglia Ruskin University is exposed, and annual internal audit plans are based on this analysis. The Board endorses the analysis of risks and the internal audit plans on the recommendations of the Audit & Compliance Committee. Several times during the year the internal auditors provided to the Audit & Compliance Committee reports on the internal audit activity in Anglia Ruskin University. The reports include independent opinion on the adequacy and effectiveness of Anglia Ruskin University’s systems of internal control, including internal financial control.
Responsibilities of the Board of Governors

The Board’s review of the effectiveness of the system of internal financial control is informed by the work of the internal auditors, the Audit & Compliance Committee which oversees the work of the internal auditors, the senior management within Anglia Ruskin University who have responsibility for the development and maintenance of the financial control framework and comments made by the external auditors in their management letter and other reports.

Anglia Ruskin University currently contracts out its internal audit service. This operates to standards defined within the HEFCE Audit Code of Practice.

The Education Reform Act 1988 as amended in 1991 vests the custody and control of all assets and affairs in the Board of Governors of Anglia Ruskin University. The financial memorandum with the Higher Education Funding Council for England requires the Board of Governors to ensure that financial statements are prepared for each financial year which give a true and fair view of the state of affairs of Anglia Ruskin University and Group and of the income and expenditure, cash flows and recognised gains and losses of the group for that period.

Under Anglia Ruskin University’s Financial Regulations, the Board of Governors requires the Finance and General Purposes Committee on its behalf to:

- approve and recommend to the Board of Governors Anglia Ruskin University’s annual budgets and longer term financial projections and to monitor performance against budget;
- recommend approval of Anglia Ruskin University’s financial statements to the Board of Governors;
- approve systems of internal financial control and accounting;
- suitably accounting policies are selected and then applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable accounting standards and statements of recommended practice are followed, subject to any material departures disclosed and explained in the financial statements;
- the financial statements are prepared on the going concern basis unless it is inappropriate to presume that Anglia Ruskin University will continue in operation. The Board of Governors is satisfied that Anglia Ruskin University has adequate resources to continue in operation for the foreseeable future: for this reason the going concern basis continues to be adopted in the preparation of the financial statements.

On behalf of the Board of Governors, Anglia Ruskin University’s Finance and General Purposes Committee is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy, at any time the financial position of Anglia Ruskin University and for enabling it to ensure that the financial statements comply with the Higher Education Funding Council for England’s Financial Memorandum and the Statement of Recommended Practice on Accounting for Further and Higher Education Institutions. It is also responsible for ensuring that the assets of the group are safeguarded and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Governors are aware:

- There is no relevant information of which the University’s auditor is unaware; and

The Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Members of the Board of Governors are responsible for ensuring that funds from the Higher Education Funding Council for England are used only in accordance with the Financial Memorandum with the Council and any other conditions which the Council may from time to time prescribe. Members of the Board of Governors must ensure that there are appropriate financial and management controls in place sufficient to safeguard public funds and ensure that they are only used in accordance with the conditions under which they have been made available. In addition, members of the Board of Governors are responsible for promoting the economic, efficient and effective management of Anglia Ruskin University’s resources and expenditure, so that the benefits derived from the application of public funds provided by the Council are not put at risk.

The Board is committed to ensuring the health and safety of its staff, students and all who come into contact with its operations, and commissions regular independent audits of its health and safety arrangements. These audits have shown that Anglia Ruskin’s health and safety management has consistently improved over recent years, and has been recognised by RoSPA by the issue of a Level 4 Award, the highest award currently held by any British University.
Independent Auditor’s Report to the Board of Governors

We have audited the financial statements on pages 14 to 31, which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and the accounting policies set out on pages 12 and 13.

This report is made solely to Anglia Ruskin University’s Board of Governors and the Funding Bodies. Our audit work has been undertaken so that we might state to these stakeholders those matters we are required to state in the 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 Anglia Ruskin University, its Board of Governors and the Funding Bodies, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Governing Body and Auditor

As described on page 10 the governing body is responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 Governing Body in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstance of Anglia Ruskin University and its subsidiaries and are 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.

We read the information given in the members’ report of the Board of Governors, Corporate Governance and other information contained in the Annual Report for the year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Opinion

In our opinion:

i) The financial statements give a true and fair view of the state of affairs of Anglia Ruskin University and its subsidiaries at 31 July 2008, and of the surplus of income over expenditure, recognised gains and losses and cash flows of Anglia Ruskin University and the Group for the year then ended.

ii) The financial statements have been properly prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Educational Institutions.

iii) In all material respects, income from the Higher Education Funding Council for England and the Training and Development Agency for Schools, grants and income for specific purposes and from other restricted funds administered by Anglia Ruskin have been applied only for the purposes for which they were received.

iv) In all material respects, income has been applied in accordance with Anglia Ruskin University’s statutes and where appropriate with the Financial Memorandum issued in August 2006 with the Higher Education Funding Council for England and with the Funding Agreement dated July 1998 with the Training and Development Agency for Schools.

v) The information given in the members’ report of the Board of Governors is consistent with the financial statements.

SCRUTTON BLAND
Accountants and Registered Auditor
Colchester
Statement of Principal Accounting Policies

1. Accounting Convention
The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain land and buildings and endowment investments, and in accordance with both the Statement of Recommended Practice; Accounting for Further and Higher Education Institutions (SORP) and applicable Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

2. Basis of Consolidation
The financial statements consolidate the accounts of Anglia Ruskin University and all its subsidiaries for the financial year to 31 July 2008.

The consolidated financial statements do not include those of Anglia Ruskin University Students’ Union as it is a separate unincorporated association in which Anglia Ruskin University has no financial interest. Anglia Ruskin University has no control or significant influence over policy decisions of the Union.

The consolidated financial statements include endowments in respect of the Anglia Trust. The capital and income of the Anglia Trust is held by the Trustees to be applied towards advancing the education of students attending Anglia Ruskin University.

3. Recognition of Income
Income from Donations, Research Grants, Contracts and Other Services Rendered is included to the extent of the expenditure incurred during the year, together with any related contributions towards overhead costs. All income from short-term deposits is credited to the Income and Expenditure Account on an accruals basis.

4. Pension Schemes
The pension schemes for Anglia Ruskin University’s staff are the Teachers’ Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS) (Essex County Council and Cambridgeshire County Council). The schemes are defined benefit schemes which are contracted out of the State Earnings Related Pension Scheme. Pension costs are assessed on the latest actuarial valuations of the Schemes and are accounted for on the basis of charging costs of providing pensions over the period during which Anglia Ruskin University benefits from the employees’ services.

Anglia Ruskin University is unable to identify its share of the underlying assets and liabilities of the TPS scheme on a consistent and reasonable basis and therefore, as required by FRS 17 “Retirement Benefits”, accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

FRS 17 requires the assets of defined benefit pension schemes, such as the local government scheme to be measured at market value at each balance sheet date, and the liabilities to be measured using a specific valuation method and to be discounted using a corporate bond rate. Any resulting share of the pension scheme surplus or deficit is recognised on the balance sheet. Any resulting gains and losses are recognised in the statement of total recognised gains and losses rather than being recognised gradually in the income and expenditure account.

5. Foreign Currencies
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. The resulting exchange differences are dealt with in the determination of income and expenditure for the financial year.

6. Leases
Fixed assets held under finance leases and the related lease obligations are recorded in the Balance Sheet at the fair value of the leased assets at the inception of the lease. The excess of lease payments over recorded lease obligations are treated as finance charges which are amortised to give a constant rate of charge on the remaining balance of the obligations.

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

7. Land and Buildings
As a consequence of the Education Reform Act 1988, the freehold and leasehold interests in properties occupied by Anglia Ruskin University previously held by the respective Local Education Authorities were formally transferred to Anglia Ruskin University effective from 1 April 1989.

The LEA transferred assets were valued on transfer and revalued on 31 March 1993 by Chartered Surveyors on the basis of open market value for existing use, or where this was not practicable, depreciated replacement cost. Assets earmarked for redevelopment were valued in 2000 at their most likely open market value for alternative use, following professional advice.

New projects, including additions and alterations, are stated at cost. Where buildings were acquired with the aid of specific grants they are capitalised and the related grants are treated as deferred capital grants and released to income over the expected useful life of the buildings.

Land, with the exception of the Rivermead Student Village which is held on a long lease, is held freehold by the group. Land is not depreciated as it is considered to have an indefinite useful life. Buildings, alterations and additions are depreciated, on a straight line basis, over their expected useful lives of 10-50 years.

The transitional rules under FRS15 have been adopted removing the requirement to periodically revalue the properties.
8. Equipment, Furniture and Fittings

Equipment, furniture & fittings including computers and software, costing less than £25,000 per individual item or group of related items is written off in the year of acquisition. All other equipment, furniture & fittings is capitalised.

Capitalised equipment, furniture & fittings is stated at cost and depreciated, on a straight line basis over its expected useful life, as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment - University</td>
<td>5 years</td>
</tr>
<tr>
<td>Equipment - Subsidiary Companies</td>
<td>10 years</td>
</tr>
<tr>
<td>Furniture and Fittings - University</td>
<td>5 years</td>
</tr>
<tr>
<td>Furniture and Fittings - Subsidiary Companies</td>
<td>10 years</td>
</tr>
</tbody>
</table>

Where equipment is acquired with the aid of specific grants it is capitalised and depreciated as above. The related grant is treated as a deferred capital grant and released to income over the expected useful life of the equipment.

9. Goodwill arising on consolidation

Purchased goodwill arising on consolidation of HSHS Limited is amortised over the period of its estimated economic useful life. This is considered to be a period of six years from the date of acquisition. On the transfer of assets and undertaking from HSHS Limited to Anglia Ruskin University, the goodwill was transferred at an amount equivalent to its value in the consolidated financial statements.

Following the acquisition of Ixion Holdings Limited during the year, the excess of Anglia Ruskin University’s interest in the net fair value of the net assets over cost has been released in full within the consolidated Income and Expenditure Account for the year as an exceptional item. Further details are provided within note 13.

10. Investments

Endowment Asset Investments are included in the Balance Sheet at market value. Other investments are stated at the lower of cost and net realisable value.

11. Stocks

The balance sheet includes the value of stocks in the refectories and centre stores. Stocks held in departments are written off to the Income and Expenditure Account in the year of purchase. Stocks are stated at the lower of cost or net realisable value.

12. Maintenance of Premises

Anglia Ruskin University has a ten year rolling maintenance plan which is reviewed on an annual basis. Costs are accounted for when the maintenance is undertaken.

13. Scholarships

Those scholarships that pass through the income and expenditure account are accounted for within expenditure, rather than being included as a deduction within net income, in all instances where payment is conditional upon academic progress.

14. Taxation Status

Anglia Ruskin University is an exempt charity within the meaning of the Charities Acts 1993 and 2006 and as such is a Charity within the meaning of Section 506 (1) of the Taxes Act 1988. Accordingly, Anglia Ruskin University is potentially exempt from taxation in respect of income or capital gains received within categories covered by Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied exclusively to its charitable purposes.

Anglia Ruskin University receives no similar exemption in respect of Value Added Tax. Anglia Ruskin University is a partially exempt organisation for VAT purposes and consequently input tax on its purchases is largely irrecoverable.

Subsidiary Companies and joint venture companies are not subject to these exemptions and are liable for Corporation Tax. Gift Aid is in place to transfer all taxable profits from the Subsidiaries to Anglia Ruskin University.

15. Financial Instruments

Financial instruments are classified and accounted for, according to the substance of the contracted arrangement. These are classified as either: financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.
## Consolidated Income and Expenditure Account

### Income

<table>
<thead>
<tr>
<th>Note</th>
<th>2008 Group £000</th>
<th>2008 University £000</th>
<th>2007 Group £000</th>
<th>2007 University £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>51,875</td>
<td>51,875</td>
<td>48,815</td>
<td>48,815</td>
</tr>
<tr>
<td>2</td>
<td>54,660</td>
<td>53,612</td>
<td>47,621</td>
<td>39,817</td>
</tr>
<tr>
<td>3</td>
<td>850</td>
<td>850</td>
<td>1,168</td>
<td>1,156</td>
</tr>
<tr>
<td>4</td>
<td>14,223</td>
<td>14,949</td>
<td>12,497</td>
<td>14,154</td>
</tr>
<tr>
<td>5</td>
<td>413</td>
<td>2,725</td>
<td>349</td>
<td>1,694</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>122,021</strong></td>
<td><strong>124,011</strong></td>
<td><strong>110,450</strong></td>
<td><strong>105,636</strong></td>
</tr>
<tr>
<td><strong>Less: share of joint venture income</strong></td>
<td>337</td>
<td>-</td>
<td>355</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td><strong>121,684</strong></td>
<td><strong>124,011</strong></td>
<td><strong>110,095</strong></td>
<td><strong>105,636</strong></td>
</tr>
</tbody>
</table>

### Expenditure

<table>
<thead>
<tr>
<th>Note</th>
<th>2008 £000</th>
<th>2008 £000</th>
<th>2007 £000</th>
<th>2007 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>64,068</td>
<td>61,335</td>
<td>64,961</td>
<td>57,900</td>
</tr>
<tr>
<td>11</td>
<td>5,343</td>
<td>4,173</td>
<td>4,272</td>
<td>3,150</td>
</tr>
<tr>
<td>7</td>
<td>46,658</td>
<td>51,491</td>
<td>37,729</td>
<td>40,027</td>
</tr>
<tr>
<td>8</td>
<td>3,781</td>
<td>4,591</td>
<td>3,241</td>
<td>3,018</td>
</tr>
<tr>
<td><strong>Total Expenditure</strong></td>
<td><strong>119,850</strong></td>
<td><strong>121,590</strong></td>
<td><strong>110,203</strong></td>
<td><strong>104,095</strong></td>
</tr>
</tbody>
</table>

### Operating surplus/(deficit) on ordinary activities

- **University**
  - 2008: £1,834
  - 2007: (£108)

### Exceptional Items

<table>
<thead>
<tr>
<th>Note</th>
<th>2008 £000</th>
<th>2008 £000</th>
<th>2007 £000</th>
<th>2007 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>(554)</td>
<td>(3,561)</td>
<td>(1,872)</td>
<td>(1,220)</td>
</tr>
</tbody>
</table>

### Note of Historical Cost Surpluses and Deficits

<table>
<thead>
<tr>
<th>Note</th>
<th>2008 Group £000</th>
<th>2008 University £000</th>
<th>2007 Group £000</th>
<th>2007 University £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>1,461</td>
<td>(1,140)</td>
<td>(1,698)</td>
<td>321</td>
</tr>
<tr>
<td>19</td>
<td>81</td>
<td>-</td>
<td>(7)</td>
<td>-</td>
</tr>
<tr>
<td>20</td>
<td>1,542</td>
<td>(1,140)</td>
<td>(1,705)</td>
<td>320</td>
</tr>
</tbody>
</table>

All items dealt with in arriving at the surplus/(deficit) on ordinary activities before taxation for 2008 and 2007 relate to continuing operations, apart from an exceptional item of £1,337,000, as shown in note 9, which relates to the acquisition of Ixion Holdings Limited during the year.

The notes on pages 17 to 31 form part of these accounts.
Consolidated Balance Sheet

AS AT 31 JULY 2008

<table>
<thead>
<tr>
<th>Note</th>
<th>2008 Group £000</th>
<th>2008 University £000</th>
<th>2007 Group £000</th>
<th>2007 University £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible assets</td>
<td>11</td>
<td>130,496</td>
<td>60,276</td>
<td>110,412</td>
</tr>
<tr>
<td>Investments at cost</td>
<td>12</td>
<td>36</td>
<td>7,584</td>
<td>36</td>
</tr>
<tr>
<td>Investment in joint venture</td>
<td>12</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share of gross assets</td>
<td></td>
<td>618</td>
<td>-</td>
<td>477</td>
</tr>
<tr>
<td>Share of gross liabilities</td>
<td></td>
<td>(83)</td>
<td>-</td>
<td>(124)</td>
</tr>
<tr>
<td>Total Fixed Assets</td>
<td></td>
<td>131,067</td>
<td>67,860</td>
<td>110,801</td>
</tr>
<tr>
<td>Endowment Asset Investments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Specific and general endowments held in cash</td>
<td>19</td>
<td>371</td>
<td>22</td>
<td>459</td>
</tr>
<tr>
<td>Intangible Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goodwill</td>
<td>13</td>
<td>1,804</td>
<td>1,804</td>
<td>2,406</td>
</tr>
<tr>
<td>Current Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stocks and work in progress</td>
<td></td>
<td>81</td>
<td>80</td>
<td>80</td>
</tr>
<tr>
<td>Debtors</td>
<td>14</td>
<td>12,070</td>
<td>48,546</td>
<td>16,472</td>
</tr>
<tr>
<td>Debtors due in more than one year</td>
<td>14</td>
<td>11,790</td>
<td>40,180</td>
<td>15,720</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td></td>
<td>9,366</td>
<td>6,685</td>
<td>7,229</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td></td>
<td>33,307</td>
<td>95,491</td>
<td>39,501</td>
</tr>
<tr>
<td>Creditors</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amounts falling due within one year</td>
<td>15</td>
<td>(31,393)</td>
<td>(35,035)</td>
<td>(28,796)</td>
</tr>
<tr>
<td>Net Current Assets</td>
<td></td>
<td>1,914</td>
<td>60,456</td>
<td>10,705</td>
</tr>
<tr>
<td>Total Assets less Current Liabilities</td>
<td></td>
<td>135,156</td>
<td>130,142</td>
<td>124,371</td>
</tr>
<tr>
<td>Creditors</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amounts falling due in more than one year</td>
<td>16</td>
<td>(45,685)</td>
<td>(41,958)</td>
<td>(40,159)</td>
</tr>
<tr>
<td>Provision for Liabilities and Charges</td>
<td>17</td>
<td>(4,181)</td>
<td>(4,181)</td>
<td>(4,450)</td>
</tr>
<tr>
<td>Total Net Assets excluding Pension Liability</td>
<td></td>
<td>85,290</td>
<td>84,003</td>
<td>79,762</td>
</tr>
<tr>
<td>Net Pension Liability</td>
<td>28</td>
<td>(39,697)</td>
<td>(39,697)</td>
<td>(19,769)</td>
</tr>
<tr>
<td>Net Assets including Pension Liability</td>
<td></td>
<td>45,593</td>
<td>44,306</td>
<td>59,993</td>
</tr>
</tbody>
</table>

Represented by:

Deferred Capital Grants | 18 | 24,766 | 24,766 | 22,534 | 22,534 |
| Specific and General Endowments | 19 | 371 | 22 | 459 | 29 |
| Reserves | | | | |
| Income and Expenditure Account excluding Pension Reserve | | 43,805 | 43,127 | 40,022 | 42,037 |
| Pension Reserve | | | | |
| Pension Reserve | 28 | (39,697) | (39,697) | (19,769) | (19,716) |
| Income and Expenditure Account including Pension Reserve | | | | |
| Pension Reserve | 21 | 4,108 | 3,430 | 20,253 | 22,321 |
| Revaluation Reserve | 20 | 16,348 | 16,088 | 16,747 | 16,476 |
| Total Reserves | | 20,456 | 19,518 | 37,000 | 38,797 |
| Total Funds | | 45,593 | 44,306 | 59,993 | 61,360 |

Approved by the Board of Governors on 24 November 2008 and signed on its behalf by:

Michael Thorne
Vice Chancellor

Kate Barker
Chairman

The notes on pages 17 to 31 form part of these accounts
## Consolidated Cash Flow Statement

FOR THE YEAR ENDED 31 JULY 2008

<table>
<thead>
<tr>
<th>Note</th>
<th>2008 Group £000</th>
<th>2007 Group £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash inflow from Operating Activities</td>
<td>25</td>
<td>5,279</td>
</tr>
<tr>
<td>Returns on Investments and Servicing of Finance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest received</td>
<td></td>
<td>508</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(2,057)</td>
<td>(1,342)</td>
</tr>
<tr>
<td>HETFCE interest reimbursement</td>
<td>-</td>
<td>18</td>
</tr>
<tr>
<td>Interest paid on finance lease</td>
<td>(1,089)</td>
<td>(1,051)</td>
</tr>
<tr>
<td>Net Cash Outflow from Returns on Investments and Servicing of Finance</td>
<td>(2,638)</td>
<td>(2,034)</td>
</tr>
<tr>
<td>Capital Expenditure and Financial Investments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments to acquire tangible fixed assets</td>
<td>(23,601)</td>
<td>(16,196)</td>
</tr>
<tr>
<td>Receipts from sale of tangible fixed assets</td>
<td>8,799</td>
<td>4,047</td>
</tr>
<tr>
<td>Deferred capital grants received</td>
<td>8,798</td>
<td>-</td>
</tr>
<tr>
<td>Net Cash Outflow from Investing Activities</td>
<td>(6,004)</td>
<td>(12,149)</td>
</tr>
<tr>
<td>Acquisitions and Disposals</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of subsidiary undertaking - consideration</td>
<td>-</td>
<td>(1,000)</td>
</tr>
<tr>
<td>Net Cash Outflow from Acquisitions and Disposals</td>
<td>-</td>
<td>(1,000)</td>
</tr>
<tr>
<td>Net Cash Outflow before Financing</td>
<td>(3,363)</td>
<td>(8,552)</td>
</tr>
<tr>
<td>Financing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan repayments</td>
<td>-</td>
<td>(9,993)</td>
</tr>
<tr>
<td>Bank loan</td>
<td>5,500</td>
<td>17,600</td>
</tr>
<tr>
<td>Net Cash Inflow from Financing</td>
<td>5,500</td>
<td>7,607</td>
</tr>
<tr>
<td>Increase/(Decrease) in Cash and Cash Equivalents</td>
<td>27</td>
<td>2,137</td>
</tr>
<tr>
<td>Reconciliation of Net Cashflow to Movement in Net Debt</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase/(Decrease) in cash in the period</td>
<td></td>
<td>2,137</td>
</tr>
<tr>
<td>New bank loans</td>
<td>(5,500)</td>
<td>(7,607)</td>
</tr>
<tr>
<td>Movement on finance leases</td>
<td>(26)</td>
<td>(58)</td>
</tr>
<tr>
<td>Change in net debt resulting from cashflows</td>
<td>(3,389)</td>
<td>(8,610)</td>
</tr>
<tr>
<td>Net Debt at 1 August</td>
<td>(32,930)</td>
<td>(24,320)</td>
</tr>
<tr>
<td>Net Debt at 31 July</td>
<td>(36,319)</td>
<td>(32,930)</td>
</tr>
</tbody>
</table>

The notes on pages 17 to 31 form part of these accounts.
### Statement of Consolidated Total Recognised Gains and Losses
FOR THE YEAR ENDED 31 JULY 2008

<table>
<thead>
<tr>
<th>Note</th>
<th>2008 Group £000</th>
<th>2008 University £000</th>
<th>2007 Group £000</th>
<th>2007 University £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surplus/(Deficit) on continuing operations after depreciation of assets at valuation and taxation</td>
<td>1,461</td>
<td>(1,140)</td>
<td>(1,698)</td>
<td>321</td>
</tr>
<tr>
<td>Movement on general endowments</td>
<td>19</td>
<td>(7)</td>
<td>(7)</td>
<td>4</td>
</tr>
<tr>
<td>Actuarial (loss)/gain in respect of pension scheme</td>
<td>21</td>
<td>(18,086)</td>
<td>(18,139)</td>
<td>3,542</td>
</tr>
<tr>
<td>Total recognised (losses)/gains relating to the year</td>
<td>(16,632)</td>
<td>(19,286)</td>
<td>1,848</td>
<td>3,661</td>
</tr>
</tbody>
</table>

Reconciliation of movement on reserves & endowments

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening reserves and endowments</td>
<td>37,459</td>
<td>38,826</td>
<td>35,611</td>
<td>35,165</td>
</tr>
<tr>
<td>Total recognised (losses)/gains for the year</td>
<td>(16,632)</td>
<td>(19,286)</td>
<td>1,848</td>
<td>3,661</td>
</tr>
<tr>
<td>Closing reserves and endowments</td>
<td>20,827</td>
<td>19,540</td>
<td>37,459</td>
<td>38,826</td>
</tr>
</tbody>
</table>

### Notes to the Accounts
FOR THE YEAR ENDED 31 JULY 2008

<table>
<thead>
<tr>
<th>Note</th>
<th>2008 Group £000</th>
<th>2008 University £000</th>
<th>2007 Group £000</th>
<th>2007 University £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Funding Council Grants</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HEFCE recurrent grant</td>
<td>42,303</td>
<td>42,303</td>
<td>40,049</td>
<td>40,049</td>
</tr>
<tr>
<td>HEFCE specific grants:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aim Higher</td>
<td>2,660</td>
<td>2,660</td>
<td>2,251</td>
<td>2,251</td>
</tr>
<tr>
<td>Other</td>
<td>2,173</td>
<td>2,173</td>
<td>2,192</td>
<td>2,192</td>
</tr>
<tr>
<td>HEFCE deferred capital grants released in year</td>
<td>2,081</td>
<td>2,081</td>
<td>1,417</td>
<td>1,417</td>
</tr>
<tr>
<td>Training Development Agency Grant</td>
<td>2,658</td>
<td>2,658</td>
<td>2,906</td>
<td>2,906</td>
</tr>
<tr>
<td></td>
<td>51,875</td>
<td>51,875</td>
<td>48,815</td>
<td>48,815</td>
</tr>
<tr>
<td>2. Academic Fees and Support Grants</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full-time</td>
<td>17,679</td>
<td>17,679</td>
<td>12,481</td>
<td>12,479</td>
</tr>
<tr>
<td>Full-time students charged overseas fees</td>
<td>3,575</td>
<td>3,575</td>
<td>3,411</td>
<td>3,405</td>
</tr>
<tr>
<td>Part-time</td>
<td>6,195</td>
<td>6,206</td>
<td>5,685</td>
<td>5,596</td>
</tr>
<tr>
<td>SHA educational contracts</td>
<td>22,989</td>
<td>22,314</td>
<td>22,424</td>
<td>15,249</td>
</tr>
<tr>
<td>Other</td>
<td>4,222</td>
<td>3,838</td>
<td>3,620</td>
<td>3,088</td>
</tr>
<tr>
<td></td>
<td>54,660</td>
<td>53,612</td>
<td>47,621</td>
<td>39,817</td>
</tr>
<tr>
<td>3. Research Grants and Contracts</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research Councils and UK based charities</td>
<td>401</td>
<td>401</td>
<td>325</td>
<td>325</td>
</tr>
<tr>
<td>Grants and contracts</td>
<td>449</td>
<td>449</td>
<td>843</td>
<td>831</td>
</tr>
<tr>
<td></td>
<td>850</td>
<td>850</td>
<td>1,168</td>
<td>1,156</td>
</tr>
</tbody>
</table>
Notes to the Accounts  FOR THE YEAR ENDED 31 JULY 2008

4. Other Operating Income

<table>
<thead>
<tr>
<th>Note</th>
<th>2008 Group £000</th>
<th>2008 University £000</th>
<th>2007 Group £000</th>
<th>2007 University £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residences, catering and conferences</td>
<td>6,438</td>
<td>6,438</td>
<td>5,692</td>
<td>5,692</td>
</tr>
<tr>
<td>Other services rendered:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>European Social Fund grant</td>
<td>383</td>
<td>371</td>
<td>150</td>
<td>150</td>
</tr>
<tr>
<td>Knowledge Transfer Scheme</td>
<td>283</td>
<td>283</td>
<td>268</td>
<td>268</td>
</tr>
<tr>
<td>Staff secondment income</td>
<td>421</td>
<td>165</td>
<td>543</td>
<td>267</td>
</tr>
<tr>
<td>Other</td>
<td>1,003</td>
<td>1,003</td>
<td>942</td>
<td>894</td>
</tr>
<tr>
<td>Release of deferred capital grants (non-funding council)</td>
<td>18</td>
<td>260</td>
<td>260</td>
<td>260</td>
</tr>
<tr>
<td>Other income:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other grant income</td>
<td>1,559</td>
<td>1,480</td>
<td>1,097</td>
<td>1,045</td>
</tr>
<tr>
<td>Gift Aid from subsidiary companies</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Inter-company sales</td>
<td>-</td>
<td>2,347</td>
<td>-</td>
<td>2,094</td>
</tr>
<tr>
<td>Other</td>
<td>3,876</td>
<td>2,602</td>
<td>3,545</td>
<td>2,312</td>
</tr>
<tr>
<td></td>
<td>14,223</td>
<td>14,949</td>
<td>12,497</td>
<td>14,154</td>
</tr>
</tbody>
</table>

5. Interest Receivable & Endowments

<table>
<thead>
<tr>
<th>Note</th>
<th>2008 Group £000</th>
<th>2008 University £000</th>
<th>2007 Group £000</th>
<th>2007 University £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income from short term investments</td>
<td>229</td>
<td>228</td>
<td>68</td>
<td>68</td>
</tr>
<tr>
<td>Other interest receivable</td>
<td>265</td>
<td>2,497</td>
<td>263</td>
<td>1,626</td>
</tr>
<tr>
<td>Endowments (Anglia Trust)</td>
<td>(81)</td>
<td>-</td>
<td>7</td>
<td>-</td>
</tr>
<tr>
<td>FRS 17 net return on assets (note 28)</td>
<td>-</td>
<td>-</td>
<td>11</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>413</td>
<td>2,725</td>
<td>349</td>
<td>1,694</td>
</tr>
</tbody>
</table>

6. Staff Costs

<table>
<thead>
<tr>
<th>Note</th>
<th>2008 Group £000</th>
<th>2008 University £000</th>
<th>2007 Group £000</th>
<th>2007 University £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and wages</td>
<td>52,284</td>
<td>49,779</td>
<td>53,752</td>
<td>47,732</td>
</tr>
<tr>
<td>Social security costs</td>
<td>4,105</td>
<td>3,962</td>
<td>4,183</td>
<td>3,729</td>
</tr>
<tr>
<td>Pension costs</td>
<td>6,478</td>
<td>6,393</td>
<td>6,390</td>
<td>5,846</td>
</tr>
<tr>
<td>Exceptional past service loss and curtailment loss (FRS 17 adjustment, note 28)</td>
<td>1,173</td>
<td>1,173</td>
<td>146</td>
<td>146</td>
</tr>
<tr>
<td>Other pension costs (including FRS 17 adjustment, note 28)</td>
<td>28</td>
<td>28</td>
<td>490</td>
<td>447</td>
</tr>
<tr>
<td></td>
<td>64,068</td>
<td>61,335</td>
<td>64,961</td>
<td>57,900</td>
</tr>
</tbody>
</table>

Emoluments of the Vice Chancellor:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary</td>
<td>231</td>
<td>128</td>
<td>69</td>
<td>69</td>
</tr>
<tr>
<td>Benefits in kind</td>
<td>10</td>
<td></td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Pension contribution</td>
<td>241</td>
<td>134</td>
<td>70</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>32</td>
<td>18</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td></td>
<td>273</td>
<td>152</td>
<td>79</td>
</tr>
</tbody>
</table>

The salary and benefits of the Vice Chancellor are shown on the same basis as for higher paid staff. Anglia Ruskin University’s pension contribution to the Teachers’ Pension Scheme is paid at the same rate as for other academic staff.
## Notes to the Accounts

FOR THE YEAR ENDED 31 JULY 2008

### Salary and benefits of other higher paid staff whose annual remuneration exceeds £100,000, excluding employer's pension contributions:

<table>
<thead>
<tr>
<th>Annual Remuneration</th>
<th>2008 Number</th>
<th>2007 Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>£100,000-£109,999</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>£110,000-£119,999</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>£120,000-£129,999</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5</strong></td>
<td><strong>4</strong></td>
</tr>
</tbody>
</table>

The average monthly number of staff (including senior post holders) employed by the University and its subsidiaries during the year, expressed as full time equivalents, was:

<table>
<thead>
<tr>
<th>Category</th>
<th>2008 Number</th>
<th>2007 Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teaching departments</td>
<td>1,034</td>
<td>1,114</td>
</tr>
<tr>
<td>Teaching support services</td>
<td>250</td>
<td>254</td>
</tr>
<tr>
<td>Administrative and central services</td>
<td>187</td>
<td>180</td>
</tr>
<tr>
<td>Premises</td>
<td>96</td>
<td>89</td>
</tr>
<tr>
<td>Other income generating activities</td>
<td>17</td>
<td>18</td>
</tr>
<tr>
<td>Catering and residences</td>
<td>88</td>
<td>88</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,672</strong></td>
<td><strong>1,743</strong></td>
</tr>
</tbody>
</table>

Average staff numbers by major category:

- **Administrative and Support**: 1,022 (2008) vs 1,099 (2007)

<table>
<thead>
<tr>
<th><strong>Total</strong></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,672</td>
<td>1,743</td>
</tr>
</tbody>
</table>

**Staff costs for above persons**

<table>
<thead>
<tr>
<th>Category</th>
<th>£000</th>
<th>£000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teaching departments</td>
<td>42,473</td>
<td>45,254</td>
</tr>
<tr>
<td>Teaching support services</td>
<td>8,338</td>
<td>7,909</td>
</tr>
<tr>
<td>Administrative and central services</td>
<td>7,486</td>
<td>6,903</td>
</tr>
<tr>
<td>Premises</td>
<td>2,622</td>
<td>2,373</td>
</tr>
<tr>
<td>Other income generating activities</td>
<td>571</td>
<td>585</td>
</tr>
<tr>
<td>Catering and residences</td>
<td>1,377</td>
<td>1,301</td>
</tr>
<tr>
<td>FRS 17 adjustment, note 28</td>
<td>1,201</td>
<td>636</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>64,068</strong></td>
<td><strong>64,961</strong></td>
</tr>
</tbody>
</table>

**Staff costs for above persons by major category**

<table>
<thead>
<tr>
<th>Category</th>
<th>£000</th>
<th>£000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic and Research</td>
<td>33,217</td>
<td>36,481</td>
</tr>
<tr>
<td>Administrative and Support</td>
<td>29,650</td>
<td>27,844</td>
</tr>
<tr>
<td>FRS 17 adjustment, note 28</td>
<td>1,201</td>
<td>636</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>64,068</strong></td>
<td><strong>64,961</strong></td>
</tr>
</tbody>
</table>
## Notes to the Accounts

**FOR THE YEAR ENDED 31 JULY 2008**

### 7. Other Operating Expenses

<table>
<thead>
<tr>
<th>Note</th>
<th>2008 Group £000</th>
<th>2008 University £000</th>
<th>2007 Group £000</th>
<th>2007 University £000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Teaching Departments</td>
<td>17,627</td>
<td>17,203</td>
<td>13,185</td>
<td>11,570</td>
</tr>
<tr>
<td>Contracted-out Lecturing Services</td>
<td>572</td>
<td>515</td>
<td>555</td>
<td>342</td>
</tr>
<tr>
<td>Teaching &amp; Other Support Services</td>
<td>4,661</td>
<td>4,612</td>
<td>3,654</td>
<td>3,621</td>
</tr>
<tr>
<td>Administration and Central Services</td>
<td>6,236</td>
<td>5,874</td>
<td>5,986</td>
<td>5,276</td>
</tr>
<tr>
<td>(including amortisation of goodwill)</td>
<td>7,207</td>
<td>3,852</td>
<td>6,958</td>
<td>3,787</td>
</tr>
<tr>
<td>Premises</td>
<td>110</td>
<td>39</td>
<td>135</td>
<td>107</td>
</tr>
<tr>
<td>Other Income Generating Activities</td>
<td>3,188</td>
<td>2,585</td>
<td>2,715</td>
<td>2,246</td>
</tr>
<tr>
<td>Franchised Provision</td>
<td>6,045</td>
<td>6,045</td>
<td>3,862</td>
<td>3,849</td>
</tr>
<tr>
<td>Other Payments to Colleges and Institutions</td>
<td>1,012</td>
<td>1,012</td>
<td>679</td>
<td>679</td>
</tr>
<tr>
<td>Group Purchases</td>
<td>-</td>
<td>9,754</td>
<td>-</td>
<td>8,550</td>
</tr>
<tr>
<td></td>
<td>46,658</td>
<td>51,491</td>
<td>37,729</td>
<td>40,027</td>
</tr>
</tbody>
</table>

### 8. Interest Payable

<table>
<thead>
<tr>
<th>Description</th>
<th>2008 £000</th>
<th>2007 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank and other loans wholly repayable within five years</td>
<td>1,820</td>
<td>2,630</td>
</tr>
<tr>
<td>Pension Provision Notional Interest</td>
<td>205</td>
<td>205</td>
</tr>
<tr>
<td>Finance lease</td>
<td>1,115</td>
<td>1,115</td>
</tr>
<tr>
<td>Pension finance costs (FRS 17 adjustment, note 28(e))</td>
<td>641</td>
<td>641</td>
</tr>
<tr>
<td></td>
<td>3,781</td>
<td>4,591</td>
</tr>
</tbody>
</table>

### 9. Exceptional Items

<table>
<thead>
<tr>
<th>Description</th>
<th>2008 £000</th>
<th>2007 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ixion Holdings Ltd - excess of net assets over cost</td>
<td>1,337</td>
<td>-</td>
</tr>
<tr>
<td>HS&amp;SHS Ltd - provision for impairment following the</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>hive up of the assets and undertaking intra-group</td>
<td>1,115</td>
<td>1,115</td>
</tr>
<tr>
<td>Restructuring Costs (Voluntary Severance Scheme)</td>
<td>2,591</td>
<td>2,591</td>
</tr>
<tr>
<td>Sale of Danbury Park Conference Centre</td>
<td>-</td>
<td>2,807</td>
</tr>
<tr>
<td>Regional Realignment</td>
<td>700</td>
<td>700</td>
</tr>
<tr>
<td></td>
<td>(554)</td>
<td>(3,561)</td>
</tr>
</tbody>
</table>

The cashflow effect of exceptional items is disclosed within note 26.

### 10. (Deficit)/Surplus on Continuing Operations for the Year

<table>
<thead>
<tr>
<th>Description</th>
<th>2008 £000</th>
<th>2007 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>University’s (deficit)/surplus for the year</td>
<td>(1,140)</td>
<td>321</td>
</tr>
<tr>
<td>Surpluses generated by subsidiary undertakings and transferred to the University under gift aid</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other surpluses/(deficits) generated by subsidiary undertakings</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Anglia Ruskin Enterprise Ltd</td>
<td>77</td>
<td>310</td>
</tr>
<tr>
<td>Network Planning &amp; Maintenance Anglia Ltd</td>
<td>2,633</td>
<td>1,363</td>
</tr>
<tr>
<td>Anglia Ruskin Development Ltd</td>
<td>(3,431)</td>
<td>566</td>
</tr>
<tr>
<td>Bishop Hall Properties Ltd</td>
<td>425</td>
<td>418</td>
</tr>
<tr>
<td>HS&amp;SHS Ltd</td>
<td>(9)</td>
<td>(123)</td>
</tr>
<tr>
<td>Anglia Trust</td>
<td>(81)</td>
<td>-</td>
</tr>
<tr>
<td>Anglia Distance Learning Ltd (50% holding)</td>
<td>182</td>
<td>282</td>
</tr>
<tr>
<td>Balances eliminated on consolidation</td>
<td>1,452</td>
<td>2,109</td>
</tr>
<tr>
<td>Ixion Holdings Ltd</td>
<td>1,353</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>1,461</td>
<td>(1,698)</td>
</tr>
</tbody>
</table>

Audit fees for the year include:

<table>
<thead>
<tr>
<th>Description</th>
<th>2008 £000</th>
<th>2007 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>External audit</td>
<td>67</td>
<td>67</td>
</tr>
<tr>
<td>Additional non-audit work</td>
<td>-</td>
<td>19</td>
</tr>
<tr>
<td>Internal audit</td>
<td>59</td>
<td>59</td>
</tr>
<tr>
<td></td>
<td>126</td>
<td>145</td>
</tr>
</tbody>
</table>
## Notes to the Accounts FOR THE YEAR ENDED 31 JULY 2008

### 11. Fixed Assets

<table>
<thead>
<tr>
<th></th>
<th>Freehold Land £000</th>
<th>Freehold Buildings £000</th>
<th>Leasehold Land &amp; Buildings £000</th>
<th>Alterations &amp; Improvements £000</th>
<th>Equipment &amp; Other £000</th>
<th>Total £000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Valuation/Cost</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 August 2007</td>
<td>Valuation</td>
<td>7,724</td>
<td>24,162</td>
<td>-</td>
<td>-</td>
<td>1,100</td>
</tr>
<tr>
<td></td>
<td>Cost</td>
<td>3,059</td>
<td>68,794</td>
<td>8,509</td>
<td>8,339</td>
<td>20,397</td>
</tr>
<tr>
<td></td>
<td>Additions</td>
<td>-</td>
<td>16,468</td>
<td>-</td>
<td>3,188</td>
<td>5,771</td>
</tr>
<tr>
<td>At 31 July 2008</td>
<td>Valuation</td>
<td>7,724</td>
<td>24,162</td>
<td>-</td>
<td>-</td>
<td>1,100</td>
</tr>
<tr>
<td></td>
<td>Cost</td>
<td>3,059</td>
<td>85,262</td>
<td>8,509</td>
<td>11,527</td>
<td>26,708</td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 August 2007</td>
<td></td>
<td>-</td>
<td>13,488</td>
<td>1,763</td>
<td>2,598</td>
<td>14,363</td>
</tr>
<tr>
<td></td>
<td>Charge for year</td>
<td>-</td>
<td>1,894</td>
<td>141</td>
<td>492</td>
<td>2,816</td>
</tr>
<tr>
<td>At 31 July 2008</td>
<td>-</td>
<td>15,382</td>
<td>1,904</td>
<td>3,090</td>
<td>17,179</td>
<td>37,555</td>
</tr>
<tr>
<td><strong>Net Book Value</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 August 2007</td>
<td></td>
<td>10,783</td>
<td>79,468</td>
<td>6,746</td>
<td>5,741</td>
<td>7,674</td>
</tr>
<tr>
<td>At 31 July 2008</td>
<td></td>
<td>10,783</td>
<td>94,042</td>
<td>6,605</td>
<td>8,437</td>
<td>10,629</td>
</tr>
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</table>

### University

<table>
<thead>
<tr>
<th></th>
<th>Freehold Land £000</th>
<th>Freehold Buildings £000</th>
<th>Leasehold Land &amp; Buildings £000</th>
<th>Alterations &amp; Improvements £000</th>
<th>Equipment &amp; Other £000</th>
<th>Total £000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Valuation/Cost</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 August 2007</td>
<td>Valuation</td>
<td>6,451</td>
<td>18,193</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Cost</td>
<td>-</td>
<td>14,653</td>
<td>8,509</td>
<td>7,922</td>
<td>20,390</td>
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<tr>
<td></td>
<td>Additions</td>
<td>-</td>
<td>4,500</td>
<td>-</td>
<td>3,188</td>
<td>5,771</td>
</tr>
<tr>
<td>At 31 July 2008</td>
<td>Valuation</td>
<td>6,451</td>
<td>18,193</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Cost</td>
<td>-</td>
<td>19,153</td>
<td>8,509</td>
<td>11,110</td>
<td>26,141</td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 August 2007</td>
<td></td>
<td>-</td>
<td>8,525</td>
<td>1,763</td>
<td>2,101</td>
<td>12,719</td>
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<tr>
<td></td>
<td>Charge for year</td>
<td>-</td>
<td>746</td>
<td>141</td>
<td>493</td>
<td>2,793</td>
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<tr>
<td>At 31 July 2008</td>
<td>-</td>
<td>9,271</td>
<td>1,904</td>
<td>2,594</td>
<td>15,512</td>
<td>29,281</td>
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<td><strong>Net Book Value</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 August 2007</td>
<td></td>
<td>6,451</td>
<td>24,321</td>
<td>6,746</td>
<td>5,821</td>
<td>7,671</td>
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<tr>
<td>At 31 July 2008</td>
<td></td>
<td>6,451</td>
<td>28,075</td>
<td>6,605</td>
<td>8,516</td>
<td>10,629</td>
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<tr>
<td>Inherited</td>
<td></td>
<td>6,451</td>
<td>9,636</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Financed by capital grant</td>
<td></td>
<td>-</td>
<td>11,756</td>
<td>-</td>
<td>3,129</td>
<td>9,881</td>
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<tr>
<td>Other</td>
<td></td>
<td>4,332</td>
<td>72,650</td>
<td>6,605</td>
<td>5,308</td>
<td>748</td>
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<td></td>
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<td>6,451</td>
<td>28,075</td>
<td>6,605</td>
<td>8,516</td>
<td>10,629</td>
</tr>
</tbody>
</table>

### Assets held at valuation

As a consequence of the Education Reform Act 1988, freehold interests in land and buildings occupied by the University previously held by the respective Local Education Authorities were formally transferred to the University effective from 1 April 1989. The aggregate costs of these assets is £nil. These assets were last valued by Tim Matthews Associates, Chartered Surveyors & Property Consultants on 31 March 1993. They were valued on the basis of open market value for continuing educational use.

### Leasehold Land and Buildings

The charge for depreciation of leasehold land and buildings of £139,749 (2007: £139,749) is in respect of assets held under a finance lease. At 31 July 2008 the net book value of the assets held under a finance lease was £6,608,209 (2007: £6,747,958).
### Notes to the Accounts  
**FOR THE YEAR ENDED 31 JULY 2008**

#### 12. Investments

<table>
<thead>
<tr>
<th></th>
<th>2008 Group £000</th>
<th>2008 University £000</th>
<th>2007 Group £000</th>
<th>2007 University £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anglia Ruskin Enterprise Ltd</td>
<td>-</td>
<td>500</td>
<td>-</td>
<td>500</td>
</tr>
<tr>
<td>Anglia Ruskin Development Ltd</td>
<td>-</td>
<td>7,048</td>
<td>-</td>
<td>7,048</td>
</tr>
<tr>
<td>HSHS Ltd</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4,000</td>
</tr>
<tr>
<td>Other investments at cost:</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Universities UK</td>
<td>33</td>
<td>33</td>
<td>33</td>
<td>33</td>
</tr>
<tr>
<td>Other</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>36</td>
<td>7,584</td>
<td>36</td>
<td>11,584</td>
</tr>
</tbody>
</table>

**Investment in joint venture**


<table>
<thead>
<tr>
<th></th>
<th>2008 Group £000</th>
<th>2008 University £000</th>
<th>2007 Group £000</th>
<th>2007 University £000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>535</td>
<td>-</td>
<td>353</td>
<td>-</td>
</tr>
</tbody>
</table>

Anglia Ruskin University holds all the issued share capital of its subsidiary companies as follows:

- **Anglia Ruskin Enterprise Ltd** - 100 £1 ordinary shares
- **Anglia Ruskin Development Ltd** - 7,048,000 £1 ordinary shares
- **HSHS Ltd** - 170,000 £1 ordinary shares

Anglia Ruskin Enterprise Ltd carries out trading activities on the premises owned by Anglia Ruskin University. The main activity of the other subsidiaries relates to property ownership, maintenance and management.

The investment in joint venture companies is as follows:

- **Anglia Distance Learning Ltd** - 2 £1 ordinary shares representing 50% of the share capital

The principal activity of Anglia Distance Learning Ltd is the provision of continuing professional development courses for health science professionals.

- **Anglia Ruskin University** is the parent company of Rectory Lane Properties Ltd, a company limited by guarantee, which has been dormant since its incorporation on 20 May 1999.
- **Anglia Ruskin University** is the parent company of Anglia Environmental Ltd, a company limited by guarantee.
- **Anglia Environmental** sources finance from companies deriving benefit from landfill tax legislation to fund and carry out research in the field of waste management. This company has now ceased trading and is effectively dormant.

Anglia Ruskin Development Ltd holds all the issued share capital of its subsidiary company as follows:

- **Bishop Hall Properties Ltd** - 2,600,040 £1 ordinary shares

Anglia Ruskin Enterprise Ltd holds all the issued share capital of its subsidiary company as follows:

- **Network Planning and Maintenance Anglia Ltd** - 2,600,040 £1 ordinary shares

Anglia Ruskin University has two further subsidiary undertakings following joint venture agreements in respect of Peterborough College and the College of West Anglia. Although Anglia Ruskin University is a 50% party to each of these joint venture arrangements, these will be accounted for as subsidiary undertakings under Financial Reporting Standard 2 “Subsidiary Undertakings”. This arises from Anglia Ruskin University’s dominant influence enshrined in the articles of association.

Anglia Ruskin University owns 100% of Ixion Holdings Ltd, a company limited by guarantee.

Ixion Holdings Ltd joined the Anglia Ruskin Group on 23rd July 2008.

The Company specialises in the delivery of government initiatives by providing business support aimed at fostering business growth and entrepreneurialism.

Anglia Ruskin University’s investment in HSHS Limited has been reviewed following the transfer of activities from the subsidiary undertaking to Anglia Ruskin University during the year. As a result of this transfer, £2,330,000 of gift aid became receivable by Anglia Ruskin University from HSHS Limited. Following this review, an entry reflecting the remaining value of this investment has been processed as an impairment within Anglia Ruskin University’s figures. Due to its exceptional size and incident, this matter has been included within Exceptional Items in the Income and Expenditure Account (Note 9).

#### 13. Goodwill

**Purchased goodwill arising on the acquisition of HSHS Limited.**

- At 1 August 2007: 2,406, 3,008
- Goodwill recognised in the year: -2,256, -
- Goodwill amortised in year: (602), (452), (602), -
- At 31 July 2008: 1,804, 1,804, 2,406, -

**Excess fair value interest arising upon the acquisition of subsidiary undertaking**

- Goodwill adjustment arising on the acquisition of Ixion in the year: (1,337), -
- Amounts released to the Income and Expenditure Account in the year: 1,337, -
- At 31 July 2008: -

Anglia Ruskin University acquired Ixion Holdings Limited as a 100% subsidiary undertaking during the year.
### Notes to the Accounts

**FOR THE YEAR ENDED 31 JULY 2008**

<table>
<thead>
<tr>
<th></th>
<th>2008 Group £000</th>
<th>2008 University £000</th>
<th>2007 Group £000</th>
<th>2007 University £000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>14. Debtors</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amounts falling due within one year:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade debtors</td>
<td>4,136</td>
<td>3,124</td>
<td>4,118</td>
<td>3,580</td>
</tr>
<tr>
<td>Strategic Health Authorities</td>
<td>2,392</td>
<td>2,392</td>
<td>2,257</td>
<td>1,607</td>
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<tr>
<td>Other Debtors</td>
<td>27</td>
<td>18</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>Debtors from within group</td>
<td>-</td>
<td>57</td>
<td>-</td>
<td>956</td>
</tr>
<tr>
<td>Prepayments and accrued income</td>
<td>2,524</td>
<td>1,653</td>
<td>1,950</td>
<td>1,718</td>
</tr>
<tr>
<td>Fixed Asset Sales</td>
<td>3,930</td>
<td>3,930</td>
<td>8,799</td>
<td>8,799</td>
</tr>
<tr>
<td>Loans to subsidiary companies</td>
<td>-</td>
<td>38,250</td>
<td>-</td>
<td>25,669</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>13,009</strong></td>
<td><strong>49,424</strong></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td><strong>17,149</strong></td>
<td><strong>42,354</strong></td>
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<tr>
<td>Provision for bad debts</td>
<td>939</td>
<td>878</td>
<td>677</td>
<td>636</td>
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<td></td>
<td></td>
<td></td>
<td><strong>12,070</strong></td>
<td><strong>48,546</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>16,472</strong></td>
<td><strong>41,718</strong></td>
</tr>
<tr>
<td>Amounts falling due in more than one year:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed Asset Sales</td>
<td>11,790</td>
<td>11,790</td>
<td>15,720</td>
<td>15,720</td>
</tr>
<tr>
<td>Convertible loan stock in subsidiary companies</td>
<td>-</td>
<td>28,390</td>
<td>-</td>
<td>28,390</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>11,790</strong></td>
<td><strong>40,180</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>15,720</strong></td>
<td><strong>44,110</strong></td>
</tr>
<tr>
<td>The Fixed Asset Sales debtor relates to the sale of the Central Campus. This will be settled by way of a payment of £3,930,000 on 15 December 2008, followed by three further annual payments of £3,930,000.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2008 Group £000</th>
<th>2008 University £000</th>
<th>2007 Group £000</th>
<th>2007 University £000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>15. Creditors: Amounts falling due within one year</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments received on account</td>
<td>602</td>
<td>602</td>
<td>726</td>
<td>726</td>
</tr>
<tr>
<td>Trade creditors</td>
<td>3,052</td>
<td>2,188</td>
<td>1,679</td>
<td>1,273</td>
</tr>
<tr>
<td>Creditors in respect of fixed asset additions</td>
<td>2,811</td>
<td>2,148</td>
<td>1,005</td>
<td>-</td>
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<tr>
<td>Funding Council</td>
<td>6,650</td>
<td>6,650</td>
<td>3,536</td>
<td>3,536</td>
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<tr>
<td>Other creditors</td>
<td>5,566</td>
<td>10,639</td>
<td>6,417</td>
<td>10,443</td>
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<tr>
<td>Social Security and other taxation payable</td>
<td>2,332</td>
<td>1,293</td>
<td>2,590</td>
<td>1,229</td>
</tr>
<tr>
<td>Accruals and deferred income</td>
<td>7,250</td>
<td>6,011</td>
<td>7,265</td>
<td>6,235</td>
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<tr>
<td>Voluntary Severance Scheme Accruals</td>
<td>1,045</td>
<td>1,045</td>
<td>4,262</td>
<td>3,625</td>
</tr>
<tr>
<td>Bursaries and Scholarships Accruals</td>
<td>2,085</td>
<td>2,085</td>
<td>1,316</td>
<td>1,316</td>
</tr>
<tr>
<td>Creditors from within the group</td>
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<td>2,374</td>
<td>-</td>
<td>1,980</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>31,393</strong></td>
<td><strong>35,035</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>28,796</strong></td>
<td><strong>30,363</strong></td>
</tr>
</tbody>
</table>
Notes to the Accounts FOR THE YEAR ENDED 31 JULY 2008

16(a). Creditors: Amounts falling due after one year

<table>
<thead>
<tr>
<th></th>
<th>2008 Group £000</th>
<th>2008 University £000</th>
<th>2007 Group £000</th>
<th>2007 University £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secured bank loans</td>
<td>35,227</td>
<td>31,500</td>
<td>29,727</td>
<td>26,000</td>
</tr>
<tr>
<td>Obligations under finance leases</td>
<td>10,458</td>
<td>10,458</td>
<td>10,432</td>
<td>10,432</td>
</tr>
<tr>
<td></td>
<td>45,685</td>
<td>41,958</td>
<td>40,159</td>
<td>36,432</td>
</tr>
</tbody>
</table>

16(b). Creditors: Amounts falling due after more than one year

<table>
<thead>
<tr>
<th></th>
<th>2008 Group £000</th>
<th>2008 University £000</th>
<th>2007 Group £000</th>
<th>2007 University £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secured loans:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amounts due between 1 and 2 years</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Amounts due between 2 and 5 years</td>
<td>1,516</td>
<td>1,292</td>
<td>557</td>
<td>520</td>
</tr>
<tr>
<td>Amounts due in more than 5 years</td>
<td>33,711</td>
<td>30,208</td>
<td>29,170</td>
<td>25,480</td>
</tr>
<tr>
<td></td>
<td>35,227</td>
<td>31,500</td>
<td>29,727</td>
<td>26,000</td>
</tr>
</tbody>
</table>

A loan facility of £72m (University £67.2m; ARD £4.8m) was agreed with Lloyds TSB in December 2006, of which £35.2m was drawn down as at 31 July 2008. £20m of this loan is fixed at an all inclusive rate (including margin) of 5.325%, interest only for five years, then repayable over 100 instalments over 25 years.

The remainder of the loan is currently on a variable rate. Terms have been agreed at 22 basis points above the bank rate, interest only for five years, then repayable over 100 quarterly payments (25 years). The new loan facility is secured with an unlimited guarantee.

The finance lease is repayable by quarterly instalments which escalate on an annual basis by 3.5%.

As at 31 July 2008 £504,586 (2007: £271,292) is due between two and five years, the remaining liability repayable after more than five years.

17. Provision for Liabilities and Charges

<table>
<thead>
<tr>
<th></th>
<th>2008 Group £000</th>
<th>2008 University £000</th>
<th>2007 Group £000</th>
<th>2007 University £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension Provision £000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Group and University   | 4,450           | (474)                | 205             |
|                        |                 |                      |                 |

At 1 August 2007

At 31 July 2008

The pension provision is a SSAP 24 provision in respect of enhanced pension entitlements of staff taking early retirement from 1989 to date.

The provision also includes accrued liabilities in respect of strain placed on TPS funds. (see note 28 for further details).
### 18. Deferred Capital Grants

#### Group and University

<table>
<thead>
<tr>
<th>Note</th>
<th>Funding Councils £000</th>
<th>Other £000</th>
<th>Total £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alterations &amp; Improvements</td>
<td>1,300</td>
<td>-</td>
<td>1,300</td>
</tr>
<tr>
<td>Equipment</td>
<td>7,122</td>
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<td>7,122</td>
</tr>
<tr>
<td>EEDA</td>
<td>-</td>
<td>1,382</td>
<td>1,382</td>
</tr>
<tr>
<td>Hunter 2</td>
<td>4,619</td>
<td>-</td>
<td>4,619</td>
</tr>
<tr>
<td>Major works</td>
<td>666</td>
<td>-</td>
<td>666</td>
</tr>
<tr>
<td>Inherited liabilities - residence related rents</td>
<td>940</td>
<td>-</td>
<td>940</td>
</tr>
<tr>
<td>The Ashcroft International Business School</td>
<td>-</td>
<td>4,876</td>
<td>4,876</td>
</tr>
<tr>
<td>Poor Estates</td>
<td>1,200</td>
<td>-</td>
<td>1,200</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>16,276</strong></td>
<td><strong>6,258</strong></td>
<td><strong>22,534</strong></td>
</tr>
</tbody>
</table>

#### Grant for year

| Equipment             | 4,573                  | -          | 4,573      |
| EEDA                  | -                      | -          | -          |
| SDF                   | -                      | -          | -          |
| **Total**             | **4,573**              | **-**      | **4,573**  |

#### Released to income and expenditure account

| Alterations & Improvements | (46)                    | -          | (46)       |
| Equipment                 | (1,814)                 | -          | (1,814)    |
| EEDA                      | - (154)                 | -          | (154)      |
| Hunter 2                  | (152)                   | -          | (152)      |
| Major works               | (19)                    | -          | (19)       |
| Inherited liabilities - residence related rents | (22)         | -          | (22)       |
| The Ashcroft International Business School | -                   | (106)      | (106)      |
| Poor Estates              | (28)                    | -          | (28)       |
| **Total 1 & 4**           | **(2,081)**             | **(260)**  | **(2,341)**|

#### At 31 July 2008

| Alterations & Improvements | 1,254                  | -          | 1,254      |
| Equipment                 | 9,881                  | -          | 9,881      |
| EEDA                      | -                      | 1,228      | 1,228      |
| Hunter 2                  | 4,467                  | -          | 4,467      |
| Major works               | 647                    | -          | 647        |
| Inherited liabilities - residence related rents | 918         | -          | 918        |
| The Ashcroft International Business School | -                   | 4,770      | 4,770      |
| Poor Estates              | 1,172                  | -          | 1,172      |
| **Total**                 | **18,768**             | **5,998**  | **24,766** |

### 19. Endowments

#### Group

<table>
<thead>
<tr>
<th>Note</th>
<th>Specific £000</th>
<th>General £000</th>
<th>Total £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 August 2007</td>
<td>432</td>
<td>27</td>
<td>459</td>
</tr>
<tr>
<td>Movement on income</td>
<td>31</td>
<td>8</td>
<td>39</td>
</tr>
<tr>
<td>Movement on expenditure</td>
<td>(112)</td>
<td>(15)</td>
<td>(127)</td>
</tr>
<tr>
<td>At 31 July 2008</td>
<td>351</td>
<td>20</td>
<td>371</td>
</tr>
</tbody>
</table>

#### Representing:

| Prizes Funds          | 2            | 6            | 8          |
| Other Funds           | 349          | 14           | 363        |
| **Total**             | **351**      | **20**       | **371**    |

#### University

<table>
<thead>
<tr>
<th>Note</th>
<th>Specific £000</th>
<th>General £000</th>
<th>Total £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 August 2007</td>
<td>2</td>
<td>27</td>
<td>29</td>
</tr>
<tr>
<td>Movement on income</td>
<td>-</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Movement on expenditure</td>
<td>-</td>
<td>(15)</td>
<td>(15)</td>
</tr>
<tr>
<td>At 31 July 2008</td>
<td>2</td>
<td>20</td>
<td>22</td>
</tr>
</tbody>
</table>

#### Representing:

| Prizes Funds          | 2            | 6            | 8          |
| Other Funds           | -            | 14           | 14         |
| **Total**             | **2**       | **20**       | **22**     |
20. Revaluation Reserve

Revaluations:

<table>
<thead>
<tr>
<th></th>
<th>2008 Group £000</th>
<th>2008 University £000</th>
<th>2007 Group £000</th>
<th>2007 University £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 August</td>
<td>26,157</td>
<td>25,749</td>
<td>28,058</td>
<td>27,650</td>
</tr>
<tr>
<td>Realised in year</td>
<td>-</td>
<td>-</td>
<td>(1,901)</td>
<td>(1,901)</td>
</tr>
<tr>
<td>At 31 July</td>
<td>26,157</td>
<td>25,749</td>
<td>26,157</td>
<td>25,749</td>
</tr>
</tbody>
</table>

Reimbursement of principal LEA inherited debt payment by Funding Council:

<table>
<thead>
<tr>
<th></th>
<th>2008 Group £000</th>
<th>2008 University £000</th>
<th>2007 Group £000</th>
<th>2007 University £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 August</td>
<td>4,347</td>
<td>4,347</td>
<td>4,347</td>
<td>4,347</td>
</tr>
<tr>
<td>Received in year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>At 31 July</td>
<td>4,347</td>
<td>4,347</td>
<td>4,347</td>
<td>4,347</td>
</tr>
</tbody>
</table>

Contributions to depreciation:

<table>
<thead>
<tr>
<th></th>
<th>2008 Group £000</th>
<th>2008 University £000</th>
<th>2007 Group £000</th>
<th>2007 University £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 August</td>
<td>13,757</td>
<td>13,620</td>
<td>13,358</td>
<td>13,232</td>
</tr>
<tr>
<td>Transferred to income and expenditure account</td>
<td>399</td>
<td>388</td>
<td>399</td>
<td>388</td>
</tr>
<tr>
<td>At 31 July</td>
<td>14,156</td>
<td>14,008</td>
<td>13,757</td>
<td>13,620</td>
</tr>
</tbody>
</table>

Net Revaluation Reserve:

<table>
<thead>
<tr>
<th></th>
<th>2008 Group £000</th>
<th>2008 University £000</th>
<th>2007 Group £000</th>
<th>2007 University £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 31 July</td>
<td>16,348</td>
<td>16,088</td>
<td>16,747</td>
<td>16,476</td>
</tr>
</tbody>
</table>

21. Income and Expenditure Account

<table>
<thead>
<tr>
<th></th>
<th>2008 Group £000</th>
<th>2008 University £000</th>
<th>2007 Group £000</th>
<th>2007 University £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance brought forward</td>
<td>20,253</td>
<td>22,321</td>
<td>16,116</td>
<td>16,375</td>
</tr>
<tr>
<td>Retained surplus/(deficit) for the year</td>
<td>1,542</td>
<td>(1,140)</td>
<td>(1,705)</td>
<td>(321)</td>
</tr>
<tr>
<td>Transfer from revaluation reserve</td>
<td>399</td>
<td>388</td>
<td>399</td>
<td>388</td>
</tr>
<tr>
<td>Actuarial (loss)/gain in respect of the pension scheme</td>
<td>(18,086)</td>
<td>(18,139)</td>
<td>3,542</td>
<td>3,336</td>
</tr>
<tr>
<td>Balance carried forward</td>
<td>4,108</td>
<td>3,430</td>
<td>20,253</td>
<td>22,321</td>
</tr>
</tbody>
</table>

22. Lease Obligations

Operating Leases

<table>
<thead>
<tr>
<th></th>
<th>2008 Group £000</th>
<th>2008 University £000</th>
<th>2007 Group £000</th>
<th>2007 University £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land and buildings expiring: Within one year</td>
<td>420</td>
<td>420</td>
<td>509</td>
<td>509</td>
</tr>
<tr>
<td>Between one and five years</td>
<td>136</td>
<td>136</td>
<td>132</td>
<td>132</td>
</tr>
<tr>
<td>Over five years</td>
<td>1,266</td>
<td>2,785</td>
<td>1,015</td>
<td>2,026</td>
</tr>
<tr>
<td>Total</td>
<td>1,822</td>
<td>3,341</td>
<td>1,656</td>
<td>2,667</td>
</tr>
</tbody>
</table>

Other expiring:
Within one year | 6          | -                    | 1               | 1                    |
Between one and five years | 6          | 6                    | 37              | 20                   |
Over five years | 8          | 8                    | -               | -                    |
Total          | 20          | 14                   | 38              | 21                   |

23. Capital Commitments

<table>
<thead>
<tr>
<th></th>
<th>2008 Group £000</th>
<th>2008 University £000</th>
<th>2007 Group £000</th>
<th>2007 University £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commitments contracted at 31 July</td>
<td>32,125</td>
<td>12,463</td>
<td>14,111</td>
<td>-</td>
</tr>
<tr>
<td>Authorised but not contracted at 31 July</td>
<td>83,500</td>
<td>3,100</td>
<td>12,314</td>
<td>8,314</td>
</tr>
<tr>
<td>Total</td>
<td>119,625</td>
<td>15,563</td>
<td>26,425</td>
<td>8,314</td>
</tr>
</tbody>
</table>

These capital commitments will be met by a combination of capital receipts, loans and Anglia Ruskin University’s own resources.
Notes to the Accounts FOR THE YEAR ENDED 31 JULY 2008

24. Contingent Liabilities

Financial Support

Anglia Ruskin University has, to the extent permitted by law, agreed to meet any remaining liabilities incurred in the ordinary course of business of its subsidiary companies, should any of the companies discontinue to trade. Such support is confirmed on an annual basis.

Anglia Ruskin University has specifically guaranteed a bank loan of £250.0k and an overdraft facility of £30.0k from Lloyds TSB bank to the Students’ Union.

Anglia Ruskin University has also specifically guaranteed bank loans of £4.8m from Lloyds TSB to Anglia Ruskin Development Limited.

<table>
<thead>
<tr>
<th>2008 Group £000</th>
<th>2007 Group £000</th>
</tr>
</thead>
</table>

25. Reconciliation of Consolidated Operating Surplus/(Deficit) to Net Cash from Operating Activities

| Surplus/(Deficit) before tax | 1,461 | (1,698) |
| Depreciation (Note 11)       | 5,343 | 4,272 |
| Deferred capital grants released to income | (2,341) | (1,677) |
| Investment income            | (413) | (349) |
| Interest payable             | 2,935 | 2,363 |
| Increase in stocks           | (1)  | (31) |
| Decrease/(Increase) in debtors | 895  | (2,825) |
| (Decrease)/Increase in creditors and accruals | (4,593) | 8,151 |
| Decrease in provisions       | (269) | (228) |
| Increase in investment assets | (182) | (147) |
| Pension costs less contributions payable | 1,842 | 1,292 |
| Profit on Sale of Fixed Assets | -   | (3,094) |
| Amortisation of goodwill     | 602  | 602  |
| Net cash inflow from operating activities | 5,279 | 6,631 |

26. Cash Flow Relating to Exceptional Items

Restructuring Costs & Sale of Fixed Assets

| Restructuring of Student Numbers | 700  | -   |
| Sale of Fixed Assets             | -    | (249) |
| Restructuring costs              | (5,808) | (1,359) |
| (5,108)                          | (1,608) |

At 1 Aug | Cashflow | Non-cash movements | At 31 July |
|£000     | £000     | £000                | £000       |

27. Analysis of Net Debt

| Cash in hand and at bank | 7,229 | 2,137 | - | 9,366 |
| Debt due after one year  | (29,727) | (5,500) | - | (35,227) |
| Finance Lease            | (10,432) | 1,089 | (1,115) | (10,458) |
|                         | (40,159) | (4,411) | (1,115) | (45,685) |
|                         | (32,930) | (2,274) | (1,115) | (36,319) |
# Notes to the Accounts

## 28. Pension Arrangements of the Group

Anglia Ruskin University’s employees belong to two principal pension schemes, the Teachers’ Pension Scheme (TPS) and the Essex County Council Local Government Pension Scheme (LGPS), which are of the defined benefit type. The Group also administers a stakeholder pension scheme.

### TPS

The TPS is an unfunded scheme. Contributions on a ‘pay-as-you-go’ basis are credited to the exchequer under arrangements governed by the Superannuation Act 1972. Actuarial valuations are carried out on a notional set of investments.

Under the definitions set out in Financial Reporting Standard (FRS) 17 Retirement Benefits, the TPS is a multi-employer pension scheme. Anglia Ruskin University is unable to identify its share of the underlying (notional) assets and liabilities of the scheme. Accordingly, Anglia Ruskin has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. Anglia Ruskin University has set out below the information available on the scheme and the implications for the University in terms of the anticipated contribution rates.

The pensions cost is assessed every three years in accordance with the advice of the government actuary. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

<table>
<thead>
<tr>
<th>Latest actuarial valuation</th>
<th>31 March 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarial method</td>
<td>prospective benefits</td>
</tr>
<tr>
<td>Investment returns per annum</td>
<td>6.5%</td>
</tr>
<tr>
<td>Salary scale increases per annum</td>
<td>5.0%</td>
</tr>
<tr>
<td>Pension increase per annum</td>
<td>2.8%</td>
</tr>
</tbody>
</table>

- Value of notional assets at date of last valuation (the Account) (estimated future contributions together with notional investments held at 31 March 2004): £162,650 million
- Value of notional liabilities at date of last valuation (pensions currently in payment and the estimated estimated future costs of benefits): £162,650 million
- Balance of Scheme assets and liabilities at 31 March 2004: £Nil
- Proportion of members’ accrued benefits covered by the notional value of the assets: 98.88%

The total in the Account as at 31 March 2004 has been determined as the difference between the scheme liabilities and the value of future scheme contributions. From that date the Account will be credited with a rate of return which is equivalent to it assuming that the balance in the Account is invested in notional investments producing that rate of return.

Following the implementation of the Teacher’s Pension (Employer’s Supplementary Contributions) Regulations 2000, the Government Actuary carried out a further review on the level of employer contributions. For the period from 1 August 2007 to 31 July 2008 the employer contribution was 14.1%. The employee rate was 6.4% for the same period.

An appropriate provision in respect of unfunded pensioners’ benefits is included in provisions.

The total Group contributions made for the year ended 31 July 2008 were £5,183,611 (2007: £5,291,302), of which employers’ contributions totalled £3,521,520 (2007: £3,606,954) and employees’ contributions totalled £1,662,092 (2007: £1,684,348).

### LGPS

The LGPS is a funded scheme, with the assets held in a separately administered fund.

The pension costs are assessed in accordance with the advice of independent qualified actuaries, Watson Wyatt, using the projected unit method. The latest actuarial valuation was at 31 March 2007.

The total Group contributions made for the year ended 31 July 2008 were £4,191,824 (2007: £3,763,454), of which employers’ contributions totalled £2,912,287 (2007: £2,641,609) and employees’ contributions totalled £1,279,537 (2007: £1,121,845).

The agreed rates until April 2008 were 9.24% for employers and 6% for employees. Thereafter variable rates between 5.5% and 7.5%, have applied based on employee salary bands. The employer rate from April 2008 is 10.0%.
28. Pension Arrangements of the Group continued...

(a) The assets in the scheme and the expected rate of return

The expected rate of return on plan assets is based on market expectations, at the beginning of the period, for investment returns over the entire life of the related obligation. The assumption used is the average of the following assumptions appropriate to the individual asset classes weighted by the proportion of the assets in the particular asset classes. The rates quoted are gross of expenses.

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Long term rate of return expected at 31 July 2008</th>
<th>Value at 31 July 2008 £000</th>
<th>Long term rate of return expected at 31 July 2007</th>
<th>Value at 31 July 2007 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>7.50%</td>
<td>37,078</td>
<td>7.50%</td>
<td>39,657</td>
</tr>
<tr>
<td>Gilts</td>
<td>4.80%</td>
<td>4,973</td>
<td>4.90%</td>
<td>4,718</td>
</tr>
<tr>
<td>Other bonds</td>
<td>5.90%</td>
<td>4,108</td>
<td>5.80%</td>
<td>3,539</td>
</tr>
<tr>
<td>Property</td>
<td>6.50%</td>
<td>5,459</td>
<td>6.50%</td>
<td>6,965</td>
</tr>
<tr>
<td>Cash</td>
<td>5.00%</td>
<td>2,432</td>
<td>5.75%</td>
<td>1,292</td>
</tr>
<tr>
<td><strong>Total Market value of assets</strong></td>
<td><strong>6.92%</strong></td>
<td><strong>54,050</strong></td>
<td><strong>7.01%</strong></td>
<td><strong>56,171</strong></td>
</tr>
</tbody>
</table>

Present value of scheme liabilities: (93,747) £000

Deficit in University scheme: (39,697) £000

Deficit in other schemes (see below): - £000

Deficit in schemes: (39,697) £000

Deficit in the other scheme was transferred into Anglia Ruskin University’s own deficit during the year ended 31 July 2008.

(b) Actuarial assumptions

A FRS 17 valuation was carried out 31 July 2008 by a qualified actuary.

The major assumptions used by the actuary were:

<table>
<thead>
<tr>
<th>Assumption</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate of increase in salaries</td>
<td>5.30%</td>
<td>4.70%</td>
</tr>
<tr>
<td>Rate of increase in pension payments</td>
<td>3.80%</td>
<td>3.20%</td>
</tr>
<tr>
<td>Discount rate</td>
<td>5.90%</td>
<td>5.80%</td>
</tr>
<tr>
<td>Inflation assumptions</td>
<td>3.80%</td>
<td>3.20%</td>
</tr>
<tr>
<td>Investment returns per annum</td>
<td>6.92%</td>
<td>7.01%</td>
</tr>
</tbody>
</table>

The current mortality assumptions include sufficient allowance for future improvements in mortality rates.

(c) Assets and Liability Reconciliation

<table>
<thead>
<tr>
<th>Reconciliation of Liabilities</th>
<th>£000</th>
<th>£000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities at the start of the year</td>
<td>75,887</td>
<td>70,077</td>
</tr>
<tr>
<td>Current service cost</td>
<td>3,264</td>
<td>3,341</td>
</tr>
<tr>
<td>Interest cost</td>
<td>4,482</td>
<td>3,652</td>
</tr>
<tr>
<td>Employee contributions</td>
<td>1,276</td>
<td>1,121</td>
</tr>
<tr>
<td>Experience gains on scheme liabilities</td>
<td>- (616)</td>
<td></td>
</tr>
<tr>
<td>Actuarial loss/(gain) on liabilities</td>
<td>10,048</td>
<td>(1,060)</td>
</tr>
<tr>
<td>Benefits paid</td>
<td>(1,767)</td>
<td>(1,390)</td>
</tr>
<tr>
<td>Past service cost</td>
<td>856</td>
<td>8</td>
</tr>
<tr>
<td>Curtailment and settlements</td>
<td>317</td>
<td>138</td>
</tr>
<tr>
<td><strong>Liabilities at the end of the year</strong></td>
<td><strong>93,747</strong></td>
<td><strong>75,887</strong></td>
</tr>
</tbody>
</table>
28. Pension Arrangements of the Group continued...

(c) Assets and Liability Reconciliation continued

<table>
<thead>
<tr>
<th>Note</th>
<th>2008 £000</th>
<th>2007 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets at the start of the year</td>
<td>56,171</td>
<td>48,282</td>
</tr>
<tr>
<td>Expected return on assets</td>
<td>3,841</td>
<td>2,985</td>
</tr>
<tr>
<td>Actuarial (loss)/gain on assets</td>
<td>(8,707)</td>
<td>2,279</td>
</tr>
<tr>
<td>Employer contributions</td>
<td>3,236</td>
<td>2,894</td>
</tr>
<tr>
<td>Employee contributions</td>
<td>1,276</td>
<td>1,121</td>
</tr>
<tr>
<td>Benefits paid</td>
<td>(1,767)</td>
<td>(1,390)</td>
</tr>
<tr>
<td>Assets at the end of the year</td>
<td>54,050</td>
<td>56,171</td>
</tr>
</tbody>
</table>

(d) History of experience gains and losses

<table>
<thead>
<tr>
<th>Year</th>
<th>2008 £000</th>
<th>2007 £000</th>
<th>2006 £000</th>
<th>2005 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defined benefit obligations</td>
<td>(93,747)</td>
<td>(75,887)</td>
<td>(70,077)</td>
<td>(60,700)</td>
</tr>
<tr>
<td>Plan assets</td>
<td>54,050</td>
<td>56,171</td>
<td>48,282</td>
<td>39,773</td>
</tr>
<tr>
<td>Deficit</td>
<td>(39,697)</td>
<td>(19,716)</td>
<td>(21,795)</td>
<td>(20,927)</td>
</tr>
<tr>
<td>Experienced adjustments on plan liabilities</td>
<td>(616)</td>
<td>-</td>
<td>(1,954)</td>
<td>(631)</td>
</tr>
<tr>
<td>Experienced adjustments on plan assets</td>
<td>(8,654)</td>
<td>2,274</td>
<td>3,225</td>
<td>4,514</td>
</tr>
</tbody>
</table>

(e) Analysis of amounts charged to interest payable

<table>
<thead>
<tr>
<th>Year</th>
<th>2008 £000</th>
<th>2007 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expected return on pension scheme assets</td>
<td>3,841</td>
<td>2,985</td>
</tr>
<tr>
<td>Interest on pension scheme liabilities</td>
<td>(4,482)</td>
<td>(3,652)</td>
</tr>
</tbody>
</table>

Early retirement costs met by Anglia Ruskin University

Anglia Ruskin University holds a SSAP 24 provision in respect of enhanced pension entitlements of staff taking early retirement. Interest of £205k has been charged to the income and expenditure account. The provision is released against the cost to Anglia Ruskin of enhanced pension entitlements over the estimated life expectancy of each relevant employee.

The calculation of the cost of early retirement charged to the income and expenditure account in the year of retirement is based on the total capital cost of providing enhanced pensions with allowance for future investment returns at 4.5% in excess of price inflation.

A requirement for the employer to meet the cost of the strain placed upon the funds from early retirements was introduced from 1 April 1996 for the LGPS and 1 July 1997 for the TPS. In the case of the latter, a provision is also made under SSAP 24 for liabilities accrued in this respect. Liabilities incurred in this respect for the LGPS fund are paid in the year they are accrued.
Notes to the Accounts FOR THE YEAR ENDED 31 JULY 2008

<table>
<thead>
<tr>
<th>29. Opportunity Bursaries and Hardship Funds</th>
<th>2008 £000</th>
<th>2007 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funding Council Grants</td>
<td>813</td>
<td>1,059</td>
</tr>
<tr>
<td>Interest earned</td>
<td>11</td>
<td>18</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>824</strong></td>
<td><strong>1,077</strong></td>
</tr>
<tr>
<td>Disbursed to students</td>
<td>897</td>
<td>1,004</td>
</tr>
<tr>
<td>Balance brought forward</td>
<td>78</td>
<td>5</td>
</tr>
<tr>
<td>Balance carried forward</td>
<td>5</td>
<td>78</td>
</tr>
<tr>
<td><strong>Balance repayable to Hefce</strong></td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>30. ITT Training Bursaries</th>
<th>2008 £000</th>
<th>2007 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funding Council Grants</td>
<td>1,278</td>
<td>1,367</td>
</tr>
<tr>
<td>Disbursed to students</td>
<td>1,170</td>
<td>1,266</td>
</tr>
<tr>
<td><strong>Balance repayable to Training &amp; Development Agency</strong></td>
<td>108</td>
<td>101</td>
</tr>
</tbody>
</table>

31. Bursaries
Anglia Ruskin University is the paying agent on behalf of NHS Executive in respect of grants made available solely for students studying for nursing. The grants are related disbursements and are therefore excluded from the income and expenditure account.

32. Restatement of 2007 Accounts
The 2007 accounts have been restated where applicable for reasons of comparability.

33. Post Balance Sheet Events
The movement in stock markets since Anglia Ruskin University’s Balance Sheet date may well have an abnormally large impact upon the asset values connected with Anglia Ruskin University’s defined benefit pension scheme. It is felt that a reasonable estimate of the financial effect of this on the reported deficit of the scheme cannot be made. This is to be treated as a non-adjusting Post Balance Sheet Event in accordance with Financial Reporting Standard 21.
Helmore Building,
Anglia Ruskin University,
Cambridge Campus
Governors, Senior Staff of Anglia Ruskin University and Advisers

Chancellor
Lord Ashcroft KCMG

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Ms Kate Barker i) (from October 2007)

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Mr Stephen Bennett

Deputy Clerk to the Board of Governors
Ms Elizabeth Collier

i) Chairman of Finance and General Purposes Committee
ii) Chairman of Audit and Compliance Committee
iii) Chairman of Joint Welfare and Student Affairs Committee (now Student Matters Committee)

Executives of the University

Vice Chancellor
Professor Michael Thorne

Secretary and Clerk
Mr Stephen Bennett

Director of Finance
Mr Rex Smith

Deputy Vice Chancellor
Professor Helen Valentine

Deputy Vice Chancellor
Professor Lesley Dobree

Deputy Vice Chancellor
Professor Alan Sibbald

Advisers to the University

Auditors
Scrutton Bland

Accountants
820 The Crescent
Colchester Business Park
Colchester
Essex CO4 9YQ

Bankers
Barclays Bank PLC
2 High Street
Chelmsford
Essex CM1 1BG

Solicitors
Mills and Reeve
Francis House
112 Hills Road
Cambridge CB2 1PH

Registered Office
Anglia Ruskin University Higher Education Corporation
Bishop Hall Lane
Chelmsford
Essex CM1 1SQ
Further information

Cambridge Campus
East Road
Cambridge
CB1 1PT

Chelmsford Campus
Bishop Hall Lane
Chelmsford
CM1 1SQ

General enquiries

Contact Centre
For initial or general enquiries:

Tel: 0845 271 3333
Email: answers@anglia.ac.uk

Web links
Anglia Ruskin University
www.anglia.ac.uk