



Anglia Ruskin
University

Cambridge & Chelmsford

Annual Report and Accounts

2010–2011

passionate about the
advancement of knowledge and
the education of students

www.anglia.ac.uk/accounts

Introduction

Four years ago we agreed our Vision for Anglia Ruskin University as a whole community:

- **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**
- **Our key contribution is to the enhancement of social, cultural and economic well-being.**

Our Corporate Plan 2009 - 2011 set out in a level of detail unusual in the university sector, eleven objectives and strategies and goals which, if met, would ensure that we would be on course to make that Vision a reality. It is pleasing to record that we are on track. We have met the vast majority of the targets we set ourselves, be they academic or financial. Many will be exceeded while some will require further effort in the coming months and years – a clear indication of the high level of challenge we set ourselves.

We revisited both our Vision and Values at the start of the last academic year during the preparation of our new Corporate Plan 2012 – 2014 and came to the conclusion that both are fit for purpose, as we approach a period of unprecedented government-inspired change in the UK university system. And on top of deliberate change we, like the rest of the UK university system, have had to deal with the (presumably unintended) consequences of changes in immigration policy. At the time of writing, these have led to a collapse of the market for UK higher education in India, one of the UK's key markets. The UK university system is highly geared to international success, as is Anglia Ruskin. While our international student numbers continue to grow year on year, we are conscious that such changes increase the risk of us not achieving key financial and academic goals. Nevertheless, our new Corporate Plan sets

even higher goals and standards for us to reach, such is the self-confidence of the Anglia Ruskin community which believes that our work to date has put us in a better position than many to face up to these changes – as I hope this set of annual accounts shows. Of course, there is no room for complacency and our underlying planning principle has been 'plan for the worst, hope for the best': not the other way round. This means that year on year we are seeking further efficiencies not only in the way in which we organise and manage ourselves but also in our academic programme and in the means by which we monitor and control academic quality. As well as financial robustness and security this work has also had the benefit of releasing academic energy to focus better on our core purposes of teaching, research and knowledge transfer.

We have been able to support a remarkable amount of capital development in the last few years, much of which has finally come to fruition during academic year 2010 – 2011. We have now completed both the first phase of our major Cambridge campus revamp and the final (at least, for the time being) phase of our new campus in Chelmsford. Both have been met with great critical acclaim, with visitors using phrases such as 'unrecognisable' to describe the positive changes they see in this new physical manifestation of Anglia Ruskin University. In the Spring students in our Faculty of Health, Social Care & Education

in Peterborough moved into the excellent environment offered them in the newly refurbished Guild House and, as recently as October, students in Harlow now follow their higher education courses in a custom built new building. In the meantime work continues on new student accommodation which will be provided through partnership with the private sector and on preparatory work for further academic accommodation in Cambridge. With our student retention statistics now better than key benchmarks, our employment statistics for undergraduates in the East of England second only to Cambridge University (whose figure is less than 1% higher) and with a 5% improvement in the National Student Satisfaction survey this last year, we remain focused on improving both the environment and the learning outcomes for our students; to which our recent re-accreditation under the Customer Service Excellence scheme speaks volumes.

Universities are no more or less than the people in them, the staff and the students. It is a privilege here at Anglia Ruskin University to be working among such a group of talented and committed staff and with a student population which is exceptionally broadly based in terms of ages and backgrounds and which is highly supportive of our efforts to develop and improve across the board. We are rightly proud of them and of the achievements of students and staff alike.



Professor Michael Thorne
BSc (Hons) PhD FIMA FBCS FRSA
Vice Chancellor

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Report of the Board of Governors

for the year ended 31 July 2011

The Chairman

The Board appointed Lord Tomlinson as Chairman from 26 November 2010. Lord Tomlinson of Walsall has been a member of the House of Lords since 1998. He was formerly a member of the European Parliament and, prior to this, a member of Parliament for Meriden. Lord Tomlinson has been the Chair of the Association of Independent Higher Education Providers since 2004 and Chair of the Advisory Committee of London School of Commerce since 2003. In earlier life he spent two spells in Further Education, firstly as a Lecturer and secondly as a Head of Department. He was awarded an Honorary Doctorate of Laws by the University of Birmingham and an Honorary Fellowship by the University of Wales Institute, Cardiff.

Chairman's Report

Progress and performance

I am delighted to provide my first report of the Board of Governors since my appointment as Chairman on 26 November 2010. Anglia Ruskin University is making an impact through our students, our research and our work with local and global businesses. That impact is seen in individual's lives, in the workplace, in the way in which healthcare is delivered, and in international development. We are fast gaining a reputation as a university on the move, regionally, nationally and globally.

We are passionate about the advancement of knowledge and the education of students, and pride ourselves on taking university education in imaginative new directions. We consider our key contributions to be the enhancement of social, cultural and economic well-being.

Our students

The total number of students registered with Anglia Ruskin University in 2010/11 was 31,580 (22,728 full-time equivalent), including 2,264 (1,621 full-time equivalent) students who studied at our partner colleges in the UK. More than 2,780 of our students studied with partner institutions overseas. Our University is one of the largest in the East of England and is gaining prominence both nationally and internationally.

A record number of overseas students, from more than 70 different countries outside the EU, choose to study with us – at undergraduate, postgraduate taught and postgraduate research levels and we continue to grow our international network of partner institutions. Our largest international partnership is in Trinidad, where we deliver higher-level education to over 1,500 students. Such global links bring very many positive benefits for all students and staff.

In many respects, the best way of judging the success of a university is in the achievements of its graduates. We are proud that our former students are making a difference across a wide spectrum of society, from children's literacy to design, the environment to entrepreneurship. We are currently building on our track record of high graduate employment and providing greater support for less advantaged students.

We take great satisfaction in training many of the region's nurses, teachers, midwives and social workers. We are the largest provider of undergraduate courses in architecture, building and planning and mass communication and documentation. We are also the second largest provider of undergraduate courses in subjects allied to medicine and business and administrative studies in the region.

In line with our commitment to encourage progression and to reward success, we have a number of scholarship schemes in place for our students. For example, Anglia Ruskin provides a non-repayable, non means-tested scholarship to full-time UK/EU undergraduate students on HEFCE funded courses. Students who receive the maximum maintenance grant or special support grant will additionally be eligible for an Anglia Ruskin bursary. For our international students, the International Merit Scholarship scheme provides awards to well-qualified students applying for any full-time Bachelors or Masters course. For the financial year 2010/11 £4.4m was disbursed to our students in respect of these scholarships and bursaries.

Building for the future

It has been an exceptional year in terms of campus developments across all our locations, with the completion of four major building projects and a fifth project which will

be ready to take students in the 2011/12 academic year. Our goal is to create inspiring, modern and environmentally sustainable buildings for our students.

Our most high-profile project is the £35m redevelopment of our Cambridge campus. The new Lord Ashcroft Building wraps around the centre of the campus, linking to existing buildings to create a more joined-up estate. As well as housing our business school, it includes three large lecture theatres for use by all faculties, a new rehearsal space, a Harvard-style lecture theatre, an expanded library area and new meeting spaces.

In Essex, we completed our £9m Postgraduate Medical Institute building in the heart of the Chelmsford campus and, in partnership with Colchester Hospital University NHS Foundation Trust, we completed the £2m ICENI Centre - each providing specialist postgraduate facilities. The ICENI Centre will help to address the huge shortage of laparoscopic surgeons in the UK and abroad.

In Peterborough, a major refurbishment project allowed our Faculty of Health, Social Care & Education to move from Peterborough Hospital. We are also close to completing the University Centre in Harlow, our collaborative venture with Harlow College, which will greatly help raise skill levels and increase opportunities for local people and businesses.

The sale of the Central campus in Chelmsford was completed in 2006 with the last instalment of £3.930m due in December 2011. These capital receipts have made a significant contribution to financing our capital programme.

Our accounts

The accounts comprise the consolidated results of the Higher Education Corporation (Anglia Ruskin University), its subsidiaries and associated company, its joint venture companies 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.

Our results

Our results for the year to 31st July 2011 are summarised below:

	2010/11	2009/10	
Income	£162.9m	£145.5m	
Historical cost surplus before exceptional items, FRS 17 and property gains	£11.5m	£6.1m	
Historical cost surplus after exceptional items, FRS 17 and property gains	£9.3m	£4.4m	
Accumulated historical cost surplus before FRS 17 reserve	£62.9m	£51.9m	
Accumulated historical cost surplus after FRS 17 reserve	£16.7m	£15.2m	
Net assets before FRS 17 pension liability	£127.5m	£107.6m	
Net assets after FRS 17 pension liability	£81.3m	£70.8m	
Net cash inflow from operating activities	£20.2m	£21.8m	

Our total income for the year increased by 11.9%. Our income includes £11.8m for the Ixion Holdings Ltd Group (2009/10 £5.8m), a leading business and skills support provider.

	2010/11 £m	2009/10 £m	
Historical cost surplus after taxation and endowments	9.315	4.365	
Adjusted for the following:			
Exceptional items (note 9)	0.524	(0.972)	
FRS 17	1.638	2.668	
Historical cost surplus before exceptional items, realisation of property revaluation gains and FRS 17	11.477	6.061	

The accumulated Income and Expenditure Account now stands at £62.917m (before the effect of FRS 17). Net assets increased by 18.5% to £127.521m (before the FRS 17 pension liability).

The exceptional item, expenditure of £0.524m, is in respect of staff restructuring costs.

We account for our pension liabilities in accordance with the requirements of FRS 17 for our membership of the Local Government Pension Scheme. Figures provided by the Schemes' actuaries show that the net deficit for the Group is £46.177m. This compares with £36.808m for 2010.

Further details about the accounting treatment are given below:

Accounting Treatment for FRS 17	2010/11 £m	2009/10 £m
Balance Sheet		
Net pension liability b/f	(36.808)	(41.081)
Net pension liability c/f	(46.177)	(36.808)
	(9.369)	4.273
Income & Expenditure Account		
Staff costs	(0.035)	(0.088)
Staff costs – past service gain	(0.219)	-
Interest receivable	4.361	3.471
Interest payable	(5.745)	(6.051)
	(1.638)	(2.668)
STRGL*		
Actuarial (loss)/gain	(7.731)	6.941
	(9.369)	4.273

*Statement of total recognised gains and losses

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

As a modern university, we can be ultra responsive as new needs emerge, even if meeting those needs require us to challenge traditions. Indeed it is because of this responsiveness that **more and more national and international brand names are working with us.**

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 2011.

The future

We anticipate that the government changes to the funding of Higher Education and the resulting steep rise in tuition fees for full time undergraduate UK/EU students will impact on the number of students studying at universities from 2012. Like all UK universities we also have grave concerns about the potential effect of changes in immigration policy on our ability to recruit international students who are so vital to the very nature of a university community, who underpin key academic disciplines (and especially those which the government wishes to see prioritised) and who are so important to the economy of UK universities.

In uncertain economic times, universities have habitually had a key role in economic recovery, be it through providing new skill-sets to underpin new or resurgent manufacturing services, or through research and knowledge transfer which inspires new products or services. It is therefore the two defining features of all universities worldwide, research and internationalisation, which ensure that universities contribute to lifting the gloom. Anglia Ruskin embraces these – but in a very individual and far reaching manner.

As a modern university, we can be ultra responsive as new needs emerge, even if meeting those needs require us to challenge traditions. Indeed it is because of this responsiveness that more and more national and international brand names are working with us.

Our success, of course, depends entirely on our staff and their commitment to, and belief in, Anglia Ruskin University. Impact has to have an impelling force and in our case it is their energy, drive and determination that Anglia Ruskin should be something special. On behalf of the Board, I should like to express my thanks to my fellow Governors, the Vice Chancellor, management and staff for their sustained efforts and flair which continues to make Anglia Ruskin a successful University. I would also like to record our gratitude to the outgoing Chair, Kate Barker, who was a dedicated Board member of Anglia Ruskin for seven years before becoming an excellent Chair for five years.



Lord Tomlinson
Chairman

24th November 2011

Corporate governance

for the year ended 31 July 2011

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 80%. 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 & 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 the Anglia Ruskin University ethos. Other members of the Vice Chancellor's 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.

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.

Charitable status

Anglia Ruskin is an exempt charity, with the Higher Education Funding Council for England as its principal regulator.

The trustees

Details of the Governors are provided within this annual report. The Governors are also trustees for the purposes of the Charities Act 2006.

Public benefit

The Trustees of Anglia Ruskin University has had regard to the Charity Commission's guidance on public benefit. The principles, and the relevance of the activities of Anglia Ruskin University to these principles, are set out below:

Principle 1: there must be an identifiable benefit or benefits

Our role is to equip students with the intellectual wherewithal which will serve them well throughout their professional lives. We are passionate about the advancement of knowledge and the education of students.

We take university education in imaginative new directions. Our key contribution is to the enhancement of social, cultural and economic well-being.

A goal included in our corporate plan is that our teaching expertise will be acknowledged by our own students, evidenced by their success, and acclaimed by both professional and statutory bodies and our industrial and commercial clients.

Through the Higher Skills@Work initiative, we are dedicated to addressing the workforce development needs of employers through the provision of work-based degree level courses.

We have a broad range of knowledge, expertise and facilities for the support of business growth. Every year we aim to help at least 2,000 organisations with knowledge transfer: that is the process of turning technology, know-how, expertise and skills into innovative, commercial products and services.

We also conduct research which brings benefit to both community and economy. As part of our Corporate Plan we will build further on our world-leading research and will be held in high regard by a broad range of stakeholders for our success in research.

Principle 2: Benefit must be to the public or section of the public

Our Vision

We are important to the East Anglia region and want to be viewed in the UK and internationally as exceptional.

Learning, teaching and employment

With 31,000 students Anglia Ruskin University is one of the largest providers of higher education in the east of England. We are pleased with the progress we are making in line with our Corporate Plan and our HEFCE benchmarks and currently setting ambitious new targets with regard to student satisfaction, engagement, success and employability.

We remain committed to seeking out potential students from non traditional HE backgrounds to encourage them to consider higher education as something that is appropriate and accessible to them. We want to raise their aspirations and to provide additional support once on-course to aid their retention, success and ability to secure a graduate job.

We are active members of regional outreach partnerships and have a reciprocal agreement with the University of Cambridge to work collaboratively in Cambridgeshire and Peterborough. We will continue to work actively in the east of England to promote our university and the benefits of higher education in general and will continue to support a range of community events to encourage local people to feel that Anglia Ruskin University is accessible to them and their families.

So far we have had 300 additional student numbers for our partners at Peterborough and Harlow, which we successfully recruited to last year. We have both the capacity and demand to grow further. For example, Peterborough has seen a population increase of 25% over the last two decades. The Common Evidence Base clearly denotes the Peterborough sub-region as the area which through the University Challenge process has identified as an HE cold spot.

Our student profile includes 15.4% of students from lower participation neighbourhoods and we outperform both our benchmark (by 2 percentage points) and England (by 4.5 percentage points). Our performance in 2009/10 saw a slight fall from 2008/9 and our challenge will be to arrest this trend.

Our Outreach and Recruitment Team holds events, funded by Aimhigher, which are designed to give local school children and their families a taste of their local university, with workshops offering visitors the chance to explore different aspects of university life. Aimed at 13–15 year olds and their families, this shows visitors the wide range of potential subjects and courses available to students of higher education in general and Anglia Ruskin University in particular. Aimhigher is about making everyone aware of the benefits that higher education can bring, whatever their background. With the huge range of courses

available, it's never too early to get school/college students to start thinking about the future – or finding out what higher education could do for them. Our fifth annual event attracted over 420 visitors.

On graduation, three quarters of our full-time students enter employment in the Eastern region.

Employer engagement

Anglia Ruskin University is committed to becoming a champion of employer engagement, and at Ixion Holdings Ltd, a wholly owned subsidiary, we provide support to businesses that will enable them to grow and prosper. Having launched the Planning for Growth programme last year, we have successfully helped over 300 managing director owners of small businesses, and are now targeting businesses with faster high-growth potential.

Lord Ashcroft International Business School (LAIBS) is working with Volvo Construction Equipment Division, Volvo Group UK Ltd, which is centred in Duxford, Cambridgeshire, to launch a workbased learning degree. LAIBS has been working with the company since summer 2010 to develop this initiative, and this has culminated in a scheme that will offer managers the opportunity to enrol on a BA (Hons) Management and Leadership.

Our Higher Skills@Work initiative supported in its early stages with government grants provided learning in the work place and is gaining momentum.

We are currently working with the following high-profile employers: Harrods, Barclays, UPS, Boots, Vision Express, Specsavers and Timberland.

Employer Mentoring Scheme

Our scheme is a Student Services employability programme that matches our second-year students with local, regional and national employers. These employers help our students to build their business awareness as well as identifying and developing relevant skills that will enhance their employability. Over the years, many of our mentees have returned to the scheme as mentors.

The mentors scheme is going into its ninth year. This year we have re-established connections with Castle School, Impington Village College and Chesterton Community College in Cambridge. With the help of school teachers, the scheme identifies young people who have the potential to go on to further or higher education but perhaps face barriers in everyday life, such as friendship or family issues, that deter them from reaching their full potential. We are working with the Red Balloon Learning Centre in Cambridge. They are specifically interested in raising their students' awareness of opportunities after finishing secondary school and college. Our student mentors will go into the schools to work with the young students one-to-one to be friends and role models, offer guidance and support and help to raise aspirations. While the mentees get motivated, the mentors gain valuable skills and experience of working with young people. They develop their communication, organisation and listening skills.

Financial support for our students

We have a number of scholarship schemes in place for our students. For example, Anglia Ruskin provides a non-repayable, non means-tested scholarship to full-time UK/EU undergraduate students on HEFCE funded courses. Bursaries are available to eligible students who receive the maximum maintenance grant or special support grant. We also have an International Merit Scholarship scheme for our international students, providing awards to well-qualified students applying for any full-time Bachelors or Masters course.

The learning environment

One of our goals is to create inspiring, modern and environmentally sustainable buildings for our students.

An excellent example of this is our development in Essex, in partnership with Colchester Hospital University NHS Foundation Trust, the ICENI Centre - providing specialist postgraduate facilities. The ICENI Centre will help to address the

huge shortage of laparoscopic surgeons in the UK and abroad which will result in more patients receiving the many benefits of this type of surgery.

Another project close to completion is the University Centre Harlow, our collaborative venture with Harlow College, this will help raise skill levels and increase opportunities for local people and businesses.

The University Centre Harlow will operate in addition to two joint venture entities that already exist: The University Centre Peterborough and The University Centre West Anglia. Both of these joint ventures have exempt-charity status.

Payments to Governors

The remuneration of the Vice Chancellor who is an ex officio member of the Board is given in note 6 to the financial statements. The other Governors did not receive any remuneration, but were reimbursed for reasonable travel and other out of pocket expenses on request.

Due to the nature of the operations of Anglia Ruskin University and the composition of the board of Governors (some being drawn from local public and private sector organisations) it is inevitable that transactions will take place with organisations in which a member of the board of Governors may have an interest. All transactions involving organisations in which a member of the board of Governors may have an interest are conducted at arms length.

Governors are required to declare all outside business interests and these are recorded on a register of interests which is open to public inspection. When an item arises in which a Governor has an interest, it must be declared and the Governor concerned may not take part in that debate or any related decisions.

Linked charities

The Anglia Trust aims to provide financing to advance the education of students attending Anglia Ruskin University in particular by providing or assisting in the provision of

facilities for education at the University which are not normally provided. Details of the activity of the Anglia Trust can be found in note 19 to the accounts.

Environmental management and sustainability

Sustainability continues to be a high priority for Anglia Ruskin University: a new Global Sustainability Institute was established in March 2011 and additional targets were embedded within our new Corporate Plan, and Learning, Teaching & Assessment Strategy. We maintained our 'first' award in the People & Planet Green League survey of universities' environmental performance, and retained our ISO 14001 environmental management certification following an independent audit.

Anglia Ruskin consumes sufficient energy to fall within the scope of the new Carbon Reduction Commitment Energy Efficiency Scheme and submitted its footprint and annual reports by the 29 July deadline. In 2012 we will be required to commence purchasing of carbon allowances under this scheme which, based on 2010/11 energy consumption, will cost Anglia Ruskin approximately £96,000.

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 from 1 August 2010 to 24 November 2011.

- 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 2011 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 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 provide 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.

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.

Responsibilities of the Board of Governors

for the year ended 31 July 2011

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.**

In causing the financial statements to be prepared, the Audit & Compliance Committee, on behalf of the Board of Governors, ensure that:

- **suitable 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**
- **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 5 Award, which is the highest possible award, and is the highest award currently held by any UK educational establishment.

Independent auditor's report to the Board of Governors

for the year ended 31 July 2011

We have audited the Group and University consolidated financial statements ("the consolidated financial statements") of Anglia Ruskin University for the year ended 31 July 2011 which comprise the Group Income and Expenditure Account, Group Statement of Total Recognised Gains and Losses, the Group note of Historical Cost Surpluses and Deficits, Group Balance Sheet and University Balance Sheet, Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, the Statement of Recommended Practice: Accounting for Further and Higher Educational Institutions and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 to them 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 explained more fully in the Responsibilities of the Board of Governors statement on page 12, the governing body is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

We read the members' report of the Board of Governors and consider the implications for our report if we became aware of any apparent misstatements within it.

Scope of the audit of the consolidated financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Group's and the University's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governing Body; and the overall presentation of the financial statements.

Opinion on consolidated financial statements

In our opinion the consolidated financial statements:

- i) give a true and fair view of the state of affairs of the Group and University as at 31 July 2011 and of the surplus of income over expenditure, recognised gains and losses and statement of cash flows of the Group for the year then ended**
- ii) have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and 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 University 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 July 2010 and effective from 1 August 2010 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

Chartered Accountants and Statutory Auditor
820 the Crescent
Colchester Business Park
Colchester
Essex
CO4 9YQ

Scrutton Bland is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Statement of Principal Accounting Policies

for the year ended 31 July 2011

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 2011.

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). 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 LGPS 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 and 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 and fittings is capitalised.

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

Equipment - university	5 years
Equipment - subsidiary companies	10 years
Furniture and fittings - university	5 years
Furniture and fittings - subsidiary companies	10 years

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

Purchased goodwill arising on acquisition is amortised over the period of its estimated economic useful life.

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 10 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 Part II, Corporation Tax Act 2010 (formerly Section 506 ICTA). Accordingly, Anglia Ruskin University is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part II, Corporation Tax Act 2010 (formerly Section 506 ICTA) 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 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

for the year ended 31 July 2011

	Note	2011 Group £000	2011 University £000	2010 Group £000	2010 University £000
Income					
Funding Council Grants	1	55,549	52,205	50,086	46,883
Academic fees and support grants	2	78,492	75,663	73,323	70,728
Research grants and contracts	3	1,069	1,069	658	658
Other operating income	4	31,206	18,396	30,410	20,478
Endowment income and interest receivable	5	82	1,564	275	1,197
Total		166,398	148,897	154,752	139,944
Less: share of joint venture income		(3,503)	-	(9,249)	-
Total Income		162,895	148,897	145,503	139,944
Expenditure					
Staff costs	6	79,841	70,038	77,123	68,650
Depreciation	11	9,324	7,690	8,328	6,740
Other operating expenses	7	60,646	56,973	51,836	53,807
Interest payable	8	3,813	4,329	5,053	5,436
Total Expenditure		153,624	139,030	142,340	134,633
Operating surplus on ordinary activities in University and Subsidiaries		9,271	9,867	3,163	5,311
Share of operating surplus/(loss) in joint venture		180	-	(24)	-
Total operating surplus		9,451	9,867	3,139	5,311
Exceptional Items	9	(524)	(393)	972	1,281
Surplus after depreciation of assets at valuation and before taxation		8,927	9,474	4,111	6,592
Taxation		-	-	44	-
Surplus on continuing operations after depreciation of assets at valuation, disposal of assets and tax	10	8,927	9,474	4,155	6,592
Transfer to accumulated income within specific endowments	19	(26)	-	(189)	-
Surplus for the year retained within general reserves before minority interests		8,901	9,474	3,966	6,592
Minority Interests		15	-	-	-
Surplus for the year retained within general reserves		8,916	9,474	3,966	6,592

All items dealt with in arriving at the surplus on ordinary activities before taxation for 2011 and 2010 relate to continuing operations apart from a surplus of £92,924 in 2010 which relates to the post acquisition profits of Ixion CG Limited acquired by Ixion Holdings Limited on 30 April 2010.

Note of historical cost surpluses and deficits

for the year ended 31 July 2011

	Note	2011 Group £000	2011 University £000	2010 Group £000	2010 University £000
Surplus on continuing operations before taxation		8,927	9,474	4,111	6,592
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	20	399	389	399	389
Historical cost surplus before taxation		9,326	9,863	4,510	6,981
Historical cost surplus after taxation and endowments and minority interests		9,315	9,863	4,365	6,981

The notes on pages 19 to 33 form part of these accounts

Consolidated balance sheet

as at 31 July 2011

Note	2011 Group £000	2011 University £000	2010 Group £000	2010 University £000
Fixed Assets				
Tangible assets	11	195,353	81,746	161,014
Investments at cost	12	36	7,584	36
Investment in joint venture	12			
Share of gross assets		3,505	-	2,837
Share of gross liabilities		(2,622)	-	(2,134)
		196,272	89,330	161,753
Endowment Asset Investments				
Specific and general endowments held in cash	19	721	85	630
Intangible Assets				
Intellectual Property Rights		66	-	-
Goodwill	13	272	-	914
		338	-	914
Current Assets				
Stocks and work in progress		58	57	64
Debtors	14	18,178	114,155	15,202
Debtors due in more than one year	14	-	28,389	3,930
Investments		-	-	795
Cash at bank and in hand		32,810	27,101	15,949
		51,046	169,702	35,940
Creditors				
Amounts falling due within one year	15	(46,276)	(60,311)	(37,356)
Net Current Assets/(Liabilities)		4,770	109,391	(1,416)
Total Assets less Current Liabilities		202,101	198,806	161,881
Creditors				
Amounts falling due in more than one year	16	(71,316)	(67,664)	(50,709)
Provision for Liabilities and Charges	17	(3,264)	(3,264)	(3,582)
Total Net Assets excluding pension liability		127,521	127,878	107,590
Net pension liability	28	(46,177)	(46,177)	(36,808)
Net assets including pension liability		81,344	81,701	70,782
Represented by:				
Deferred Capital Grants	18	48,730	48,730	39,430
Endowments				
Specific and general endowments	19	721	85	630
Reserves				
Income and expenditure account excluding pension reserve		62,917	64,142	51,964
Pension reserve	28	(46,177)	(46,177)	(36,808)
Income and expenditure account including pension reserve	21	16,740	17,965	15,156
Revaluation reserve	20	15,151	14,921	15,550
Total Reserves		31,891	32,886	30,706
Total Funds before Minority Interests		81,342	81,701	70,766
Minority Interests		2	-	16
Total Funds		81,344	81,701	70,782

Approved by the Board of Governors on 24 November 2011 and signed on its behalf by:


Michael Thorne, Vice Chancellor


Lord Tomlinson, Chairman

The notes on pages 19 to 33 form part of these accounts

Consolidated cash flow statement

for the year ended 31 July 2011

	Note	2011 Group £000	2010 Group £000
Operating Activities			
Net cash inflow from Operating Activities	25	20,183	21,820
Returns on Investments and Servicing of Finance			
Interest received		56	87
Interest paid		(1,193)	(1,169)
Interest paid on finance lease		(1,112)	(1,118)
Net Cash Outflow from Returns on Investments and Servicing of Finance		(2,249)	(2,200)
Capital Expenditure and Financial Investments			
Payments to acquire tangible fixed assets		(44,175)	(26,698)
Receipts from sale of tangible fixed assets		3,930	3,930
Deferred capital grants received		11,675	8,529
Net Cash Outflow from Investing Activities		(28,570)	(14,239)
Acquisitions and Disposals			
Purchase of Subsidiary Undertaking		-	(568)
Net Cash acquired with subsidiary		-	526
Net Cash Outflow from Acquisitions and Disposals		-	(42)
Management of Liquid Resources			
Movement on current asset investments		795	18
Net Cash (Outflow)/Inflow before Financing		(9,841)	5,357
Financing			
Finance lease capital repayment		(71)	(61)
New Bank loans		26,773	204
Net Cash Inflow from Financing		26,702	143
Increase in Cash and Cash Equivalents	27	16,861	5,500
Reconciliation of Net Cashflow to Movement in Net Debt			
Increase in cash in the period		16,861	5,500
Movement in current asset investments		(795)	(18)
New bank loans		(26,593)	(204)
Non-cash movements		24	-
Movement on finance leases		124	61
Change in net debt resulting from cashflows		(10,379)	5,339
Net Debt at 1 August		(28,971)	(34,310)
Net Debt at 31 July		(39,350)	(28,971)

The notes on pages 19 to 33 form part of these accounts

Statement of total recognised gains and losses

for the year ended 31 July 2011

	Note	2011 Group £000	2011 University £000	2010 Group £000	2010 University £000
Retained surplus		8,916	9,474	3,966	6,592
Movement on endowments	19	91	65	184	(5)
Actuarial (loss)/gain in respect of pension scheme	28	(7,731)	(7,731)	6,941	6,941
Total recognised gains relating to the year		1,276	1,808	11,091	13,528
Reconciliation of movement on reserves & endowments					
Opening reserves and endowments		31,336	31,163	20,245	17,635
Total recognised gains for the year		1,276	1,808	11,091	13,528
Closing reserves and endowments		32,612	32,971	31,336	31,163

Notes to the accounts

for the year ended 31 July 2011

		2011 Group £000	2011 University £000	2010 Group £000	2010 University £000
1. Funding Council Grants					
HEFCE recurrent grant		44,984	41,850	40,934	37,833
HEFCE specific grants		3,137	3,137	3,183	3,183
HEFCE deferred capital grants released in year	18	4,157	4,157	3,046	3,046
Training Development Agency Grant		3,271	3,061	2,923	2,821
		55,549	52,205	50,086	46,883
2. Academic Fees and Support Grants					
Full-time		29,081	27,048	27,260	25,550
Overseas fees		10,193	10,147	8,430	8,388
Part-time		7,139	6,650	6,258	5,737
SHA educational contracts		25,219	25,219	25,215	25,215
Other		6,860	6,599	6,160	5,838
		78,492	75,663	73,323	70,728
3. Research Grants and Contracts					
Research Councils and UK based charities		438	438	301	301
Grants and contracts		631	631	357	357
		1,069	1,069	658	658

Notes to the accounts

for the year ended 31 July 2011

	Note	2011 Group £000	2011 University £000	2010 Group £000	2010 University £000
4. Other Operating Income					
Residences, catering and conferences		7,724	7,724	7,427	7,427
Other services rendered:					
Training and Development		15,329	-	14,202	-
Knowledge Transfer Scheme		595	595	672	672
Staff secondment income		401	286	346	288
Other		987	987	875	875
Release of deferred capital grants (non-funding council)	18	337	337	260	260
Gift Aid from subsidiary companies		-	572	-	2,301
Other income:					
Other grant income		1,883	1,883	1,685	1,685
Inter-company sales		-	3,200	-	3,465
Other		3,950	2,812	4,943	3,505
		31,206	18,396	30,410	20,478
5. Interest Receivable & Endowments					
Income from short term investments		56	54	86	83
Other interest receivable		-	1,510	-	1,114
Endowments (Anglia Trust)		26	-	189	-
		82	1,564	275	1,197
6. Staff Costs					
Salaries and wages		66,610	57,749	64,562	56,751
Social security costs		5,076	4,448	5,048	4,356
Pension costs		7,901	7,587	7,425	7,455
Exceptional past service gain and curtailment loss (FRS 17 adjustment, note 28)		219	219	-	-
Other pension costs (including FRS 17 adjustments, note 28)		35	35	88	88
		79,841	70,038	77,123	68,650
Emoluments of the Vice Chancellor:			2011		2010
			£000		£000
Salary			243		242
Benefits in kind			10		11
			<u>253</u>		<u>253</u>
Pension contribution			34		34
			<u>287</u>		<u>287</u>

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 2011

	2011 Group	2010 Group
Salary and benefits of other higher paid staff, whose annual remuneration exceeds £100,000, excluding employer's pension contributions:		
	Number	Number
£100,000-£109,999	2	2
£110,000-£119,999	-	1
£120,000-£129,999	1	1
£130,000-£139,999	-	-
£140,000-£149,999	5	5
£150,000-£159,999	-	-
£160,000-£169,999	1	-
	9	9

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:

	2011 Number	2010 Number
Teaching departments	1,210	1,174
Teaching support services	299	300
Administrative and central services	174	195
Premises	106	121
Other income generating activities	21	23
Catering and residences	67	70
	1,877	1,883
Average staff numbers by major category:		
Academic and Research	668	643
Administrative and Support	1,209	1,240
	1,877	1,883

Staff costs for above persons

	£000	£000
Teaching departments	54,620	51,260
Teaching support services	11,033	10,842
Administrative and central services	8,293	9,163
Premises	3,415	3,487
Other income generating activities	566	585
Catering and residences	1,660	1,698
FRS 17 adjustment, note 28	254	88
	79,841	77,123

Staff costs for above persons by major category

	£000	£000
Academic and Research	42,680	40,452
Administrative and Support	36,907	36,583
FRS 17 adjustment, note 28	254	88
	79,841	77,123

Staff costs and staff numbers for the Group include those of our wholly owned subsidiaries and joint venture companies where we have a dominant influence (see note 12 for further details).

Notes to the accounts

for the year ended 31 July 2011

Note	2011 Group £000	2011 University £000	2010 Group £000	2010 University £000
7. Other Operating Expenses				
Teaching Departments	31,195	21,068	24,100	18,725
Contracted-out Lecturing Services	535	535	588	588
Teaching & Other Support Services	5,078	5,035	5,122	5,375
Administration and Central Services (including amortisation of goodwill)	8,601	8,524	7,587	7,521
Premises	7,261	3,808	7,813	3,982
Other Income Generating Activities	346	276	330	287
Catering and Residences	3,985	3,323	3,738	2,995
Franchised Provision	3,645	3,645	2,558	2,558
Group Purchases	-	10,759	-	11,776
	60,646	56,973	51,836	53,807
8. Interest Payable				
Other Interest	-	543	-	410
Loans not wholly repayable within five years	1,147	1,120	1,173	1,146
Pension Provision Notional Interest	17a	170	182	182
Finance lease	1,112	1,112	1,118	1,118
Pension finance costs (FRS 17 adjustment, note 28(e))	1,384	1,384	2,580	2,580
	3,813	4,329	5,053	5,436
9. Exceptional Items				
Restructuring Costs	(524)	(393)	(1,480)	(1,171)
HEFCE Audit credit	17b	-	2,452	2,452
	(524)	(393)	972	1,281
	2011 Group £000		2010 Group £000	
10. Surplus on Continuing Operations for the Year				
University's surplus for the year	9,474		6,592	
Surplus generated by subsidiary undertakings and transferred to the University under gift aid	(573)		(2,301)	
Other surpluses/(deficits) generated by subsidiary undertakings				
Anglia Ruskin Enterprise Ltd	35		38	
Network Planning & Maintenance Anglia Ltd	(462)		(134)	
Anglia Ruskin Development Ltd	172		132	
Bishop Hall Properties Ltd	627		729	
Anglia Trust	26		189	
University Centre Peterborough	-		-	
University Centre West Anglia	-		-	
Anglia Distance Learning Ltd (50% holding)	180		(24)	
Balances eliminated on consolidation	(431)		(284)	
Ixion Holdings Ltd (Group)	(121)		(782)	
	8,927		4,155	
Audit fees for the year include:				
External audit	47		38	
External audit - subsidiaries and joint ventures	91		85	
Additional non-audit work	51		26	
Internal audit	95		88	
	284		237	
Operating Lease Charges for the year include:				
Plant and Machinery	571		501	
Other	2,220		1,807	
	2,791		2,308	

Notes to the accounts

for the year ended 31 July 2011

		Freehold Land £000	Freehold Buildings £000	Leasehold Land & Buildings £000	Alterations and Improvements £000	Equipment & Other £000	Total £000
11. Fixed Assets							
Group							
Valuation/Cost							
At 1 August 2010	Valuation	7,724	24,163	-	-	1,100	32,987
	Cost	5,933	112,536	8,507	17,582	35,765	180,323
Additions	Cost	2,209	16,472	-	5,217	19,765	43,663
At 31 July 2011	Valuation	7,724	24,163	-	-	1,100	32,987
	Cost	8,142	129,008	8,507	22,799	55,530	223,986
Depreciation							
At 1 August 2010		-	20,711	2,178	4,594	24,813	52,296
Charge for year		-	2,700	140	1,640	4,844	9,324
At 31 July 2011		-	23,411	2,318	6,234	29,657	61,620
Net Book Value							
At 1 August 2010		13,657	115,988	6,329	12,988	12,052	161,014
At 31 July 2011		15,866	129,760	6,189	16,565	26,973	195,353
Inherited		7,724	7,426	-	-	-	15,150
Financed by capital grant		-	24,523	-	12,131	12,075	48,729
Other		8,142	97,811	6,189	4,434	14,898	131,474
		15,866	129,760	6,189	16,565	26,973	195,353
University							
Valuation/Cost							
At 1 August 2010	Valuation	6,451	18,192	-	-	-	24,643
	Cost	2,875	22,378	8,507	17,736	34,948	86,444
Additions	Valuation	1,273	4,059	-	-	-	5,332
Additions	Cost	-	6,585	-	840	6,500	13,925
At 31 July 2011	Valuation	7,724	22,251	-	-	-	29,975
	Cost	2,875	28,963	8,507	18,576	41,448	100,369
Depreciation							
At 1 August 2010		-	11,315	2,178	4,561	22,854	40,908
Charge for year		-	1,065	140	1,641	4,844	7,690
At 31 July 2011		-	12,380	2,318	6,202	27,698	48,598
Net Book Value							
At 1 August 2010		9,326	29,255	6,329	13,175	12,094	70,179
At 31 July 2011		10,599	38,834	6,189	12,374	13,750	81,746
Inherited		7,724	7,198	-	-	-	14,922
Financed by capital grant		-	24,523	-	12,131	12,075	48,729
Other		2,875	7,113	6,189	243	1,675	18,095
		10,599	38,834	6,189	12,374	13,750	81,746

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 (2010: £139,749) is in respect of assets held under a finance lease. At 31 July 2011 the net book value of the assets held under a finance lease was £6,188,962 (2010: £6,328,711).

Notes to the accounts

for the year ended 31 July 2011

	2011 Group £000	2011 University £000	2010 Group £000	2010 University £000
12. Investments				
Anglia Ruskin Enterprise Ltd	-	500	-	500
Anglia Ruskin Development Ltd	-	7,048	-	7,048
Other investments at cost:				
Universities UK	33	33	33	33
Other	3	3	3	3
	36	7,584	36	7,584
Investment in joint venture				
Share of gross assets	3,505	-	2,837	-
Share of gross liabilities	(2,621)	-	(2,134)	-
	884	-	703	-

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

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

HSHS Limited has ceased trading and is dormant.

Anglia Ruskin Enterprise Limited 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.

Anglia Ruskin Enterprise has the following joint venture interest:

Anglia Distance Learning Limited	- 2 £1 ordinary shares representing 50% of the share capital
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The principal activity of Anglia Distance Learning Limited is the provision of continuing professional development courses for health science professionals.

Anglia Ruskin University is the parent company of Rectory Lane Properties Limited, a company limited by guarantee, which has been dormant since its incorporation on 20 May 1999.

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

Bishop Hall Properties Limited	- 2,600,040 £1 ordinary shares
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Anglia Ruskin Enterprise Limited holds all the issued share capital of its subsidiary company as follows:

Network Planning and Maintenance Anglia Limited	- 2 £1 ordinary shares
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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 are 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 Limited, a company limited by guarantee.

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

Ixion Holdings Limited holds all the issued share capital in the following subsidiary undertakings:

Essex Business Support Limited	- 101 £1 ordinary shares
Ixion Business Limited	- 100 £1 ordinary shares
Ixion CG Limited	- 25,154 £1 ordinary shares
Ixion Group Contracts Limited	- 100 £1 ordinary shares

Ixion Holdings Limited also has the following interest in joint venture companies:

East of England IDB Limited	- 50 £1 ordinary shares representing 50% of the issued share capital
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East of England IDB Limited prepares its financial statements to 31 March. Management figures have been used where required to incorporate the results to 31 July.

Notes to the accounts

for the year ended 31 July 2011

	2011 Group £000	2011 University £000	2010 Group £000	2010 University £000
13. Goodwill				
Purchased goodwill arising on acquisitions				
Cost				
At 1 August 2010	3,922	2,256	3,609	2,256
Additions	-	-	313	-
Other Movements	(41)	-	-	-
At 31 July 2011	3,881	2,256	3,922	2,256
Amortisation				
At 1 August 2010	3,008	1,655	2,406	1,053
Charge for the year	601	601	602	602
At 31 July 2011	3,609	2,256	3,008	1,655
Net Book Value				
At 1 August 2010	914	601	1,203	1,203
At 31 July 2011	272	-	914	601
14. Debtors				
Amounts falling due within one year:				
Trade debtors	7,791	6,176	7,164	5,905
Strategic Health Authorities	471	471	447	447
Other Debtors	331	56	121	121
Debtors from within group	-	655	-	287
Prepayments and accrued income	2,836	1,748	2,840	1,459
Anglia Trust	2,819	2,819	700	700
Fixed Asset Sales	3,930	3,930	3,930	3,930
Loans to subsidiary companies	-	98,300	-	63,800
	18,178	114,155	15,202	76,649
Amounts falling due in more than one year:				
Fixed Asset Sales	-	-	3,930	3,930
Convertible loan stock in subsidiary companies	-	28,389	-	28,389
	-	28,389	3,930	32,319

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 2011. Trade debtors include amounts from students in respect of fees.

15. Creditors: Amounts falling due within one year

Secured bank loans	844	769	24	24
Obligations under finance leases	147	147	95	95
Payments received on account	2,715	2,715	1,873	1,873
Trade creditors	2,623	2,197	3,058	2,631
Creditors in respect of fixed asset additions	2,547	1,869	2,969	199
Funding Council	8,798	8,798	6,824	6,979
Other creditors	16,324	21,844	8,228	15,545
Social Security and other taxation payable	496	1,578	2,483	1,719
Accruals and deferred income	10,447	8,079	9,519	7,576
Voluntary Severance Scheme Accruals	152	152	471	471
Bursaries and Scholarships Accruals	1,183	1,009	1,812	1,646
Creditors from within the group	-	11,154	-	5,236
	46,276	60,311	37,356	43,994

Notes to the accounts

for the year ended 31 July 2011

Note	2011 Group £000	2011 University £000	2010 Group £000	2010 University £000
16. Creditors: Amounts falling due after one year				
Funding Council				
Amounts due between 2 and 5 years	-	-	5,018	5,018
	-	-	5,018	5,018
Secured bank loans are due for repayment as follows:				
Amounts due between 2 and 5 years	7,008	6,412	3,718	3,196
Amounts due in more than 5 years	54,148	51,092	31,689	28,476
	61,156	57,504	35,407	31,672
Obligations under finance leases are due for repayment as follows:				
Amounts due between 2 and 5 years	1,265	1,265	977	977
Amounts due in more than 5 years	8,895	8,895	9,307	9,307
	10,160	10,160	10,284	10,284
Total Creditors: Amounts falling due after one year	71,316	67,664	50,709	46,974

A loan facility of £72m (University £67.2m; Anglia Ruskin Development £4.8m) was agreed with Lloyds TSB in December 2006, of which £62m (University £58.3m; Anglia Ruskin Development £3.7m) was drawn down as at 31 July 2011.

£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 base, interest only for five years, then repayable over 100 quarterly payments (25 years from March 2012). 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% and is secured on the asset to which it relates.

17a. Provision for Liabilities and Charges

Pension Provision					
At 1 August		3,582	3,582	3,909	3,909
Charge to income and expenditure account	8	170	170	182	182
Utilised in year		(488)	(488)	(509)	(509)
		3,264	3,264	3,582	3,582

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 the strain placed on TPS funds (see note 28 for further details).

17b. Provision for Liabilities and Charges

HEFCE Audit					
At 1 August		-	-	4,270	4,270
Transfer to Funding Council Creditors		-	-	(1,818)	(1,818)
Transfer to income & expenditure account		-	-	(2,452)	(2,452)
		-	-	-	-
Total Provision for Liabilities and Charges		3,264	3,264	3,582	3,582

In 2009 Anglia Ruskin University was in discussions with HEFCE over the approach to the determination of the funding status of some groups of students. As at the date of the 2009 financial statements were signed, data had been submitted to HEFCE showing an adjustment to core funding of £2,106k in 2007-08 and £2,164k in 2008-09 and a provision was made for this amount.

Due to the moderation funding rules, Anglia Ruskin University was protected from the 2007-08 potential clawback. The clawback figures were agreed in 2010 and the remaining provision was transferred to Funding Council Creditors.

Notes to the accounts

for the year ended 31 July 2011

	Note	Funding Councils £000	Other £000	Total £000
18. Deferred Capital Grants				
Group and University				
At 1 August 2010				
Alterations & Improvements		1,161	-	1,161
Equipment		15,367	-	15,367
EEDA		-	5,319	5,319
SDF		3,564	-	3,564
Hunter 2		4,164	-	4,164
Major works		609	-	609
Inherited liabilities - residence related rents		873	-	873
The Ashcroft International Business School		-	7,258	7,258
Poor Estates		1,115	-	1,115
Total		26,853	12,577	39,430
Grant for year				
Equipment		4,976	-	4,976
EEDA		-	2,755	2,755
SDF		3,215	-	3,215
The Ashcroft International Business School		-	600	600
Other		893	1,355	2,248
Total		9,084	4,710	13,794
Released to income and expenditure account				
Alterations & Improvements		(46)	-	(46)
Equipment		(3,800)	-	(3,800)
EEDA		-	(231)	(231)
SDF		(100)	-	(100)
Hunter 2		(142)	-	(142)
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	(4,157)	(337)	(4,494)
At 31 July 2011				
Alterations & Improvements		1,115	-	1,115
Equipment		16,543	-	16,543
EEDA		-	7,843	7,843
SDF		6,679	-	6,679
Hunter 2		4,022	-	4,022
Major works		590	-	590
Inherited liabilities - residence related rents		851	-	851
The Ashcroft International Business School		-	7,752	7,752
Poor Estates		1,087	-	1,087
Other		893	1,355	2,248
Total		31,780	16,950	48,730
		Specific £000	General £000	Total £000
19. Endowments				
Group				
At 1 August 2010				
Movement on income		2,836	65	2,901
Movement on expenditure		(2,810)	-	(2,810)
At 31 July 2011		638	83	721
Representing:				
Prize funds		2	-	2
Other funds		636	83	719
		638	83	721
University				
At 1 August 2010				
Movement on income		-	65	65
Movement on expenditure		-	-	-
At 31 July 2011		2	83	85
Representing:				
Prize funds		2	-	2
Other funds		-	83	83
		2	83	85

Notes to the accounts

for the year ended 31 July 2011

		Specific £000	General £000	Total £000	
19. Linked Charities					
The Anglia Trust					
The Anglia Trust aims to provide financing to advance the education of students attending Anglia Ruskin University in particular by providing or assisting in the provision of facilities for education at the University which are not normally provided.					
Balance on Funds as at 31 July 2011					
Opening Balance		578	60	638	
Income		2,825	12	2,837	
Expenditure		(2,832)	(7)	(2,839)	
At 31 July 2011		571	65	636	
	Note	2011 Group £000	2011 University £000	2010 Group £000	2010 University £000
20. Revaluation Reserve					
Revaluations:					
At 1 August		26,157	25,750	26,157	25,750
Realised in year		-	-	-	-
At 31 July		26,157	25,750	26,157	25,750
Reimbursement of principal LEA inherited debt payment by Funding Council:					
At 1 August		4,347	4,347	4,347	4,347
Received in year		-	-	-	-
At 31 July		4,347	4,347	4,347	4,347
Contributions to depreciation:					
At 1 August		14,954	14,787	14,555	14,398
Transferred to income and expenditure account		399	389	399	389
At 31 July		15,353	15,176	14,954	14,787
Net Revaluation Reserve:					
At 1 August		15,550	15,310	15,949	15,699
At 31 July		15,151	14,921	15,550	15,310
21. Income and Expenditure Account					
Balance brought forward		15,156	15,833	3,850	1,911
Retained surplus for the year		8,916	9,474	3,966	6,592
Transfer from revaluation reserve		399	389	399	389
Actuarial (loss)/gain in respect of the pension scheme		(7,731)	(7,731)	6,941	6,941
Balance carried forward		16,740	17,965	15,156	15,833
22. Lease Obligations					
Operating Leases					
Land and buildings expiring:					
Within one year		1,212	1,212	867	867
Between one and five years		418	418	263	263
Over five years		499	2,014	642	2,156
		2,129	3,644	1,772	3,286
Other expiring:					
Within one year		8	8	2	2
Between one and five years		26	9	8	8
		34	17	10	10
23. Capital Commitments					
Commitments contracted at 31 July		25,607	1,013	46,034	7,423
Authorised but not contracted at 31 July		9,050	3,050	11,858	1,603
		34,657	4,063	57,892	9,026

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 2011

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 £150.5k from Lloyds bank to the Students' Union.

Anglia Ruskin University has also specifically guaranteed bank loans of £3.7m from Lloyds to Anglia Ruskin Development Limited.

	2011 Group £000	2010 Group £000
25. Reconciliation of Consolidated Operating Surplus to Net Cash from Operating Activities		
Surplus before tax	8,927	4,111
Depreciation (Note 11)	9,324	8,328
Deferred capital grants released to income	(4,494)	(3,306)
Investment income	(82)	(275)
Interest payable	3,643	4,871
Decrease in stocks	7	27
(Increase)/Decrease in debtors	(857)	4,409
Increase in creditors and accruals	3,383	5,720
Decrease in provisions	(318)	(2,779)
(Increase)/Decrease in investment assets	(180)	24
Pension costs less contributions payable	254	88
Amortisation of goodwill	576	602
Net cash inflow from operating activities	20,183	21,820

	2011 Group £000	2011 University £000	2010 Group £000	2010 University £000
26. Cash Flow Relating to Exceptional Items				
Restructuring costs	(842)	(711)	(1,069)	(1,069)
	(842)	(711)	(1,069)	(1,069)

	At 1 Aug £000	Cashflow £000	Non-cash movements £000	At 31 July £000
27. Analysis of Net Debt				
Group				
Cash at bank and in hand	15,949	16,861	-	32,810
Debt due within one year	(24)	24	(844)	(844)
Debt due after one year	(35,407)	(26,593)	844	(61,156)
Finance Leases	(10,284)	124	-	(10,160)
Current Asset Investment	795	(795)	-	-
	(44,920)	(27,240)	-	(72,160)
	(28,971)	(10,379)	-	(39,350)

Notes to the accounts

for the year ended 31 July 2011

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.

Total pension cost for the year	2011 Group £000	2011 University £000	2010 Group £000	2010 University £000
TPS: contributions paid	3,669	3,669	3,692	3,692
LGPS:				
Contributions paid	3,918	3,918	3,760	3,760
FRS 17 charge	254	254	(7,128)	(7,128)
	4,172	4,172	(3,368)	(3,368)
Other: contributions paid	60	-	159	3
Total pension charge to Income and Expenditure Account (staff costs)	7,901	7,841	483	327

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 University 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 to four 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:

Latest actuarial valuation	31 March 2004
Actuarial method	prospective benefits
Investment returns per annum	6.5%
Salary scale increases per annum	5.0%
Pension increase per annum	2.8%
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 future costs of benefits)	£164,490 million
Balance of Scheme assets and liabilities at 31 March 2004	£(1,840) million
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 2010 to 31 July 2011 the employer contribution was 14.1%. The employee rate was 6.4% for the same period. These rates are the same as the previous year. An appropriate provision in respect of unfunded pensioners' benefits is included in provisions.

The total Group contributions made for the year ended 31 July 2011 were £5,584,126 (2010: £5,335,126), of which employers' contributions totalled £3,669,841 (2010: £3,692,346) and employees' contributions totalled £1,665,285 (2010: £1,671,163).

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, Mercer Limited, using the projected unit method. The latest actuarial valuation was at 31 March 2010.

The total Group contributions made for the year ended 31 July 2011 were £5,576,497 (2010: £5,419,062), of which employers' contributions totalled £3,918,267 (2010: £3,760,891) and employees' contributions totalled £1,658,230 (2010: £1,658,171).

Employees rates vary between 5.5% and 7.5%, based on the employee salary bands. The employer rate from April 2010 was 11.5% and decreased to 10.5% in 2011/12.

Notes to the accounts

for the year ended 31 July 2011

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.

	Long term rate of return expected at 31 July 2011	Value at 31 July 2011 £000	Long term rate of return expected at 31 July 2010	Value at 31 July 2010 £000
Equity	7.00%	50,475	7.50%	39,285
Government bonds	3.90%	5,166	4.50%	4,894
Other bonds	4.90%	6,273	5.80%	3,704
Property	6.00%	8,339	6.50%	7,738
Cash/Liquidity	0.50%	3,542	0.50%	2,116
Other	n/a	-	7.50%	8,399
Total Market value of assets	6.18%	73,795	6.78%	66,136
Present value of scheme liabilities		(119,972)		(102,944)
Deficit in scheme		(46,177)		(36,808)

(b) Actuarial assumptions

A FRS 17 valuation was carried out 31 July 2011 by a qualified actuary.

The major assumptions used by the actuary were:

At 31 July	2011	2010
Rate of increase in salaries	4.40%	4.70%
Rate of increase in pension payments	2.90%	2.70%
Discount rate	5.30%	5.50%
Rate of RPI inflation	3.40%	3.20%
Rate of CPI inflation	2.90%	2.70%
Investment returns per annum	6.18%	6.78%

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

The assumed life expectations on retirement age 65 are:

Retiring today		
Males	22.60	22.10
Females	25.20	25.00
Retiring in 20 years		
Males	24.00	23.10
Females	26.80	25.90

(c) Assets and Liability Reconciliation

	£000	£000
Reconciliation of Liabilities		
Liabilities at the start of the year	102,944	94,170
Current service cost	4,237	4,062
Interest cost	5,745	6,051
Employee contributions	1,659	1,658
Actuarial loss on liabilities	8,037	6,189
Benefits/transfers paid	(2,869)	(1,970)
Past service cost/(gain)	13	(7,216)
Curtailment and settlements	206	-
Liabilities at the end of the year	119,972	102,944
Reconciliation of Assets		
Assets at the start of the year	66,136	53,089
Expected return on assets	4,361	3,471
Actuarial gain on assets	306	5,914
Employer contributions	4,202	3,974
Employee contributions	1,659	1,658
Benefits/transfers paid	(2,869)	(1,970)
Assets at the end of the year	73,795	66,136

Notes to the accounts

for the year ended 31 July 2011

28. Pension Arrangements of the Group continued...

(d) History of experience gains and losses

Note	2011 £000	2010 £000	2009 £000	2008 £000
Actual return less expected return on pension scheme assets	306	5,914	7,703	(8,707)
Experience gains and losses arising on the scheme liabilities	(4,887)	-	-	(616)
Changes in assumptions underlying the present value of scheme liabilities	(3,150)	(6,189)	(9,457)	(9,432)
Impact of RPI to CPI adjustment	-	7,216	-	-
Other	-	-	-	669
Total (loss)/gain recognised in the statement of total recognised gains and losses	(7,731)	6,941	(1,754)	(18,086)

(e) Analysis of amounts charged to interest payable

Expected return on pension scheme assets	4,361	3,471
Interest on pension scheme liabilities	(5,745)	(6,051)
8	(1,384)	(2,580)

Early retirement costs met by Anglia Ruskin University

The University holds a SSAP 24 provision in respect of enhanced pension entitlements of staff taking early retirement. Interest of £170k 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 regard for the LGPS fund are paid in the year they are accrued.

Notes to the accounts

for the year ended 31 July 2011

	2011 £000	2010 £000
29. Opportunity Bursaries and Hardship Funds		
Funding Council Grants	532	587
Interest earned	-	-
	532	587
Disbursed to students	529	602
Balance brought forward	(15)	-
Balance carried forward	-	(15)
Deficit	(12)	-
30. ITT Training Bursaries		
Funding Council Grants	1,395	1,266
Disbursed to students	1,122	1,330
Surplus/(Deficit)	273	(64)

31. Nursing 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 2010 Accounts

The 2010 accounts have been restated where applicable for reasons of comparability.

Governors, Senior Staff of Anglia Ruskin University and Advisers

from 1 August 2010 to 24 November 2011

Chancellor

Lord Ashcroft KCMG

BOARD OF GOVERNORS

Chair

Ms Kate Barker CBE i), vi), vii) (until 25 November 2010)

Lord Tomlinson i), vi), vii) (from 25 November 2010)

Vice Chair

Lord Tomlinson until 24 November 2010

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Mrs Margaret O'Quigley (until 23 November 2010)

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His Honour Judge Seymour (from 14 November 2011)

Mr Peter Simpson (retired October 2010)

Mr John Spence

Ms Julie Spence (from 24 November 2011)

Mr Roger Swain

Mr Jonathan Swan JP ii)

Prof Michael Thorne

Mr S Wright (from 15 September 2011)

Clerk to the Board of Governors

Mr Stephen Bennett

Deputy Clerk to the Board of Governors

Ms Elizabeth Collier

- i) Chair of Finance and General Purposes Committee
- ii) Chair of Audit & Compliance Committee
- iii) Chair of Student Matters Committee
- iv) Chair of Employment Committee
- v) Chair of Capital Projects Steering Group
- vi) Chair of Nominations Committee
- vii) Chair of Remuneration Committee

EXECUTIVES OF THE UNIVERSITY

Vice Chancellor

Prof Michael Thorne

Secretary & Clerk

Mr Stephen Bennett

Director of Finance

Mr Rex Smith

Deputy Vice Chancellor

Prof Helen Valentine

Deputy Vice Chancellor

Prof Lesley Dobree

Deputy Vice Chancellor

Prof Alan Sibbald

ADVISERS TO THE UNIVERSITY

Auditors Scrutton Bland
Chartered Accountants & Statutory Auditors
820 The Crescent
Colchester Business Park
Colchester
Essex CO4 9YQ

Bankers Barclays Bank PLC
40/41 High Street
Chelmsford
Essex CM1 1BE

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

REGISTERED OFFICE

Anglia Ruskin University Higher Education Corporation
Bishop Hall Lane
Chelmsford
Essex CM1 1SQ

Cambridge Campus

East Road
Cambridge
CB1 1PT

Chelmsford Campus

Bishop Hall Lane
Chelmsford
CM1 1SQ

Contact us

Click: www.anglia.ac.uk
Email: answers@anglia.ac.uk
Call: **0845 196 4712**