Anglia Ruskin University

Cambridge Chelmsford Peterborough

Annual Report and Accounts

2011–2012

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It is pleasing to record that **we made great progress with our previous Corporate Plan 2010–2012** and delivered on most objectives if not all: thereby demonstrating that the targets in that plan (both academic and financial) were seriously demanding.

The most recent statistics show that **89.6% of our students were in work or further study within six months of graduating** – remarkable figures in these troubled times. Four out of five go into jobs classified as professional or managerial.

Introduction

Our Vision for Anglia Ruskin University as a whole community is as follows:

- **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 new Corporate Plan 2012 - 2014 sets out in a level of detail unusual in the university sector, fifteen 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 made great progress with our previous Corporate Plan 2010 – 2012 and delivered on most objectives if not all: thereby demonstrating that the targets in that plan (both academic and financial) were seriously demanding.

Like most English universities we approached this period of unprecedented government-inspired change in the UK university system with a great deal of concern, to some extent relieved by careful planning. And on top of deliberate change we, like the rest of the UK university system, continue to have to deal with the worsening consequences of changes in immigration policy and our Government's refusal to listen to common-sense. As a result, students from key markets such as India are flocking to countries like Canada – at one time barely on the UK university system's competitor radar and now benefiting from what seems like a UK Government benefaction to those countries who still 'get' the benefits of overseas student recruitment: the bolstering of key academic disciplines such as Science, Technology, Engineering and Mathematics; the long-term sourcing of doctoral degree students who in many disciplines now make up the majority of our new academic staff; the vital contribution to the internationalisation of the student experience essential to employees' need to operate in today's global market-places; and, of course, the financial benefits.
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.

We continue to seek 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 and thereby offer a better prospect to incoming well-qualified academic staff who we have been recruiting in record numbers. At the time of writing we have managed to recruit not only UK full-time undergraduate students at record levels (despite fees which have almost tripled) but also a record number of overseas students. In the febrile UK higher education market place only a fool would take that success for granted and so our maxim continues to be 'plan for the worst, hope for the best': not the other way round.

Following major capital developments in the last few years, we have spent much of academic year 2011 – 2012 on detailed classroom-focussed renovations (including a £1million recording studio to support our new areas of Computer Games and Music Technology and a new 200-seater computer laboratory (within the Chelmsford library), planning a new campus on Young Street in Cambridge (to which the activities of our Faculty of Health, Social Care and Education will relocate in approximately two years time) and making plans for the second phase of our major Cambridge Campus revamp (the final building of Phase I, our new Eye Clinic on Bradmore Street just having been completed at the time of writing). Two separate private-sector led developments of new student accommodation were completed and fully taken up by students in Cambridge.

The most recent statistics show that 89.6% of our students were in work or further study within six months of graduating – remarkable figures in these troubled times. Four out of five go into jobs classified as professional or managerial, with a median starting salary of £21,000. I have no doubt that our students' success in the world of work stems directly from our close relationships with such international brands as Timberland, Specsavers, UPS, Harrods, Volvo, Willmott Dixon, Barclays Bank and the RAF, for all of whom we deliver degree level programmes in the workplace. The clear benefits to business in this innovative approach to degree delivery were recognised by the CIPD through their national award for Talent Management when our joint project with Barclays Bank fought off tough competition from across the whole of the UK.

We saw yet another 3% improvement (the fourth annual improvement in a row) 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 - the third in a row - under the Customer Service Excellence scheme speaks volumes), and our Student Services team were recognised as the best in the country at the recent Times Higher Education awards ceremony for Leadership and Management in London.

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

Chairman's Report

Progress and performance

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 wellbeing.

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 continue to gain prominence both nationally and internationally. The facts speak for themselves; in the past five years, our turnover has risen from £110 million to £160 million; our student numbers have grown from about 24,000 to around 31,900; our international income has increased from £3.4 million to £13.3 million; our total income from non-government sources has risen from £39 million to £88 million; and we earn more than £14 million a year from our work with industry.

Our students

The total number of students registered with Anglia Ruskin University in 2011-12 was 31,873 (23,181 full-time equivalent), including 2,370 (1,642 full-time equivalent) students who studied at our partner Colleges in the UK. More than 3,080 of our students studied with partner institutions overseas. We are one of the largest universities in the East of England.

An increasing 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. This has created a very diverse academic community for the benefit of all our students. In turn, our international graduates make a key contribution to the social cultural and economic well-being of their home countries. Our overseas university partnerships include institutions in China, Japan, Malaysia, Thailand, India, USA and Canada. Our largest international teaching partnership is in Trinidad, where we deliver higher-level education to over 1,500 students.

The number of our taught postgraduate students has increased by more than 2,500 over the past five years. We now receive almost six applications for every UK undergraduate place and were one of the few universities in the UK to see a substantial rise in applications this year – an increase of 7.9% compared to a fall of 7.4% across UK universities as a whole. We face the future with great confidence and ambition.

Building for the future

September 2011 saw us reach a milestone in the history of our Cambridge campus with the opening of the new £35m redevelopment, very generously supported by our Chancellor, Lord Ashcroft. Our new Lord Ashcroft Building wraps around the centre of our campus, linking existing buildings such as the Mumford Theatre – which is widely used for student and professional performances. As well as housing our Lord Ashcroft International Business School, it offers many new facilities, including a 400-seat lecture theatre, two 200-seat lecture theatres, a Harvard-style lecture theatre, a bright new rehearsal space and an information centre for students.

Our Chelmsford campus continues to impress all who visit, especially since the £9m Postgraduate Medical Institute (PMI) opened in April 2011. The PMI has many impressive features, including 400-seat and 200-seat lecture theatres and fibre-optic links to operating theatres (enabling students to watch real-time surgery).

In partnership with Colchester Hospital University NHS Foundation Trust, we completed the £2m ICENI Centre – 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 and Education to move from Peterborough Hospital.

In April 2012 the new £9.3m University Centre Harlow (UCH), a partnership between Anglia Ruskin and Harlow College, was officially opened, which will greatly help raise skill levels and increase opportunities for local people and businesses. The East of England Development Agency (EEDA), the HEFCE and Harlow Council contributed a total of £9.3m for this new building.

The sale of the Central Campus in Chelmsford was completed in 2006 with the last instalment of £3.930m being received 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 2012 are summarised below:

	2011/12	2010/11
Income	£160.3m	£162.9m
Historical cost surplus before exceptional items, FRS 17 and property gains	£10.6m	£11.5m
Historical cost surplus after exceptional items, FRS 17 and property gains	£2.3m	£9.3m
Accumulated historical cost surplus before FRS 17 reserve	£67.4m	£62.9m
Accumulated historical cost surplus after FRS 17 reserve	£3.9m	£16.7m
Net assets before FRS 17 pension liability	£130.1m	£127.5m
Net assets after FRS 17 pension liability	£66.7m	£81.3m
Net cash inflow from operating activities	£10.7m	£20.2m

Our total income for the year decreased by 1.6%. Our income includes £8.0m for the Ixion Holdings Ltd Group (2010-11 £11.8m), a leading business and skills support provider. The company has implemented a diversification strategy following the demise of Business Link and has repositioned itself to access other government funded contracts supporting skills and the businesses.

	2011/12 £m	2010/11 £m
Historical cost surplus after taxation and endowments	**2.288**	**9.315**
Adjusted for the following:		
Exceptional items (note 9)	6.143	0.524
FRS 17	2.187	1.638
Historical cost surplus before exceptional items, realisation of property revaluation gains and FRS 17	**10.618**	**11.477**

The accumulated Income and Expenditure Account now stands at £67.392m (before the effect of FRS 17). Net assets increased by 2% to £130.123m (before the FRS 17 pension liability).

The exceptional item, expenditure of £6.143m, is in respect of staff restructuring costs. In furtherance of the objectives outlined in the Corporate Plan a series of voluntary severance and early retirement programmes have been implemented in order to assist with the re-alignment of our staff base. The charges include payments made during the year with an accrual for future commitments where a constructive obligation existed at the year end.

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 £63.449m. This compares with £46.177m for 2011.

Further details about the accounting treatment are given below:

Accounting Treatment for FRS 17	2011/12 £m	2010/11 £m
Balance Sheet		
Net pension liability b/f	(46.177)	(36.808)
Net pension liability c/f	(63.449)	(46.177)
	(17.272)	**(9.369)**
Income & Expenditure Account		
Staff costs	0.121	(0.035)
Staff costs – past service gain	(0.513)	(0.219)
Interest receivable	4.675	4.361
Interest payable	(6.470)	(5.745)
	(2.187)	**(1.638)**
STRGL*		
Actuarial loss	(15.085)	(7.731)
	(17.272)	**(9.369)**

*Statement of total recognised gains and losses

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

Our auditors

A resolution to re-appoint Scrutton Bland as Anglia Ruskin University's auditors was submitted to the Board of Governors on 22nd November 2012.

The future

As Chair of Anglia Ruskin's Board it is a delight once again to reflect on our achievements which I know are very much appreciated by our stakeholders, many of whom have taken the time and trouble to draw my attention to the high regard in which they hold the work we are undertaking.

I want to thank members of the Board without whose insight and support we would not have maintained our ambitious approach during the rapidly shifting UK government policy context – which has had implications for just about every area of our work. My thanks also to the Vice Chancellor and his senior team for their determination such that we should continue on our upward path for putting our carefully drawn plans successfully into action. This time last year we felt that we were better prepared than most to face up to the challenges of the current year and the uncertainty of student recruitment in the first year of fees up to £9,000. That we have welcomed the largest cohort of students in our history at the start of the new academic year is evidence that this has indeed turned out to be the case.

Lord Tomlinson
Chairman

22nd November 2012

Public Benefit **in support of our Charitable Status**

We are one of the leading providers of graduates in the East of England.

That Anglia Ruskin University provides public benefit is best exemplified through our teaching, research, innovation and public leadership and community engagement for many vital professions, including nursing, midwifery, teaching, surveying and optometry. Our courses to help improve social enterprise have been cited by HEFCE as examples of good practice. Our research for the WHO Global Burden of Diseases project is to be featured in a special edition of The Lancet – recognition of a world-leading contribution to understanding the global burden of eye disease and blindness in particular.

Through our Global Sustainability Institute we have contributed to the UK, EU and global government policy making on sustainability issues. Our MedTech Campus partnership with Chelmsford, Harlow and Southend-on-Sea Councils should eventually lead to 12,500 jobs in Essex derived from MedTech innovation and the diffusion of new tools within the NHS, as well as providing a route to market for innovative ideas from the whole spectrum of employers in the NHS.

Community and Employer Engagement

Our work with the community has ranged from hosting seminars and meetings for small businesses to sponsorship (for example, of Cambridge City's annual firework display) to the Olympic torch events in Chelmsford and Cambridge. Finally, our subsidiary, Ixion Holdings, is now an important and successful player in the DWP agenda for getting the long-term unemployed back into work.

Improving Access and Opportunities

In May 2012 Anglia Ruskin and Harlow College were given the green light to work on establishing one of the government's 15 new University Technical Colleges (UTCs) for 14-19 year olds which is intended to offer a new, employer-responsive curriculum in biomedical engineering and environmental engineering which it is hoped will be attractive to those students who do not respond well to a regular academic curriculum.

Corporate Governance

for the year ended 31 July 2012

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 Chairs' (CUC's) in its 'Guide for Members of Higher Education Governing Bodies in the UK'.

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 remuneration 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 68%. Whilst certain matters e.g. approval of the strategic plan and annual budget, major investments and the sale and purchase of land are reserved matters for the Board, much of its detailed work is initially handled by sub-committees, including a Finance and General Purposes Committee, a Remuneration Committee, a Nominations Committee, a Capital Projects Steering Group, an Employment Committee, a Student Matters Committee and an Audit and Compliance Committee. A significant proportion of the membership of these committees consists of independent and co-opted members of the Board of Governors, other than co-opted student and staff members, who are not eligible to serve on these committees, except for the Nominations Committee. The Student Matters Committee currently has a majority of student representative membership. The Chairman may be selected from the co-opted and independent members serving on the committees.

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

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

As chief executive, the Vice Chancellor exercises considerable influence upon the development of our strategy, the identification and planning of new developments and the shaping of 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 complied with its duty to have due regard to the guidance on public benefit published by the Charity Commission. The Public Benefit Statement can be found on page 9.

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: we maintained our 'first' award for the sixth year in a row 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 also received a Distinguished Achiever Certificate, the highest award, from the Cambridgeshire Travel for Work Partnership, a Silver Award from the Essex Business Travel Plan scheme, and a 'Living Landscapes Award' from the Essex Wildlife Trust for a mill pond restoration project at the Chelmsford campus.

Energy and carbon trends remain challenging. Carbon emissions reported in order to comply with the Carbon Reduction Commitment Energy Efficiency Scheme were 6% higher in the year to 31 March 2012 than the preceding year, although emissions relative to expenditure were 2% down over the same period. Compliance with the Carbon Reduction Commitment Energy Efficiency Scheme required the purchase of 8,456 allowances equating to £101,472. A number of measures are planned for 2012-13 to gain control over and reverse these energy trends, including improved building control systems and occupant engagement and financial incentives scheme.

Risk Management and Internal Control

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

The Board has established the processes to comply with the revised directions from HEFCE for the identification, evaluation and management of risks the University faces. The following is a full statement of Anglia Ruskin University's internal control and risk management policy that has applied from 1 August 2011 to 22 November 2012.

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 2012 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 with twenty strategic risks identified, with a further detailed risk analysis embedded in its Academic Faculties, Support Services, Joint Ventures, and Subsidiary Companies. All registers are regularly reviewed and updated.**

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

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

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

The work of internal audit is informed by an analysis of the risks to which Anglia Ruskin University is exposed, and annual internal audit plans are based on this analysis. The Board endorses the analysis of risks and the internal audit plans on the recommendations of the Audit & Compliance Committee. Several times during the year the internal auditors 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.

Responsibilities of the Board of Governors

for the year ended 31 July 2012

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 and 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: Accounting for Further and Higher Education. It is also responsible for ensuring that the assets of the group are safeguarded and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Governors are aware:

- **There is no relevant information of which the University's auditor is unaware; and**
- **The Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.**

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

The Board of Anglia Ruskin is committed to ensuring the health and safety of its staff, students and all who come into contact with its operations. It commissions regular independent audits of its health and safety management arrangements and these audits have shown that Anglia Ruskin's health and safety management has consistently improved over recent years. This has been recognised by RoSPA by the issue of a level 5 Diamond QSA audit award, which is the highest possible award, and is the only level 5 Diamond award currently held by any UK educational establishment. A further audit is scheduled for May 2013.

Independent Auditor's Report to the Board of Governors

for the year ended 31 July 2012

We have audited the Group and University consolidated financial statements ("the consolidated financial statements") of Anglia Ruskin University for the year ended 31 July 2012 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 Education 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 13, 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 2012 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; and**

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 Education; and**

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; and**

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; and**

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 2012

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 (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 2012.

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 liabilities and notional assets 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.

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. Impairment Provisions

No provision for impairment is made against the land owned by the University where that land is subject to leases to subsidiary undertakings at less than market rent, on the basis that there has been no diminution in value of the net assets of the University.

9. Equipment, Furniture & Fittings

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

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

Equipment - University	5 years
Equipment - Subsidiary Companies	10 years
Furniture & Fittings - University	5 years
Furniture & 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.

10. Goodwill

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

11. 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.

12. 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.

13. Maintenance of Premises

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

14. 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.

15. 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. 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 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.

16. 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 2012

	Note	2012 Group £000	2012 University £000	2011 Group £000	2011 University £000
Income					
Funding Council Grants	1	48,003	45,049	55,549	52,205
Academic fees and support grants	2	86,706	83,795	78,492	75,663
Research grants and contracts	3	2,448	2,448	1,664	1,664
Other operating income	4	23,178	18,335	30,611	17,801
Endowment income and interest receivable	5	424	2,126	82	1,564
Total		**160,759**	**151,753**	**166,398**	**148,897**
Less: share of joint venture income		(440)	-	(3,503)	-
Total Income		**160,319**	**151,753**	**162,895**	**148,897**
Expenditure					
Staff costs	6	79,236	70,632	79,841	70,038
Depreciation	11	10,249	12,470	9,324	7,690
Other operating expenses	7	58,505	53,176	60,646	56,973
Interest payable	8	4,462	9,488	3,813	4,329
Total Expenditure		**152,452**	**145,766**	**153,624**	**139,030**
Operating surplus on ordinary activities in University and Subsidiaries		7,867	5,987	9,271	9,867
Share of operating surplus in joint venture		243	-	180	-
Total operating surplus		**8,110**	**5,987**	**9,451**	**9,867**
Exceptional Items	9	(6,143)	(6,051)	(524)	(393)
Surplus/(Deficit) after depreciation of assets at valuation and before taxation		**1,967**	**(64)**	**8,927**	**9,474**
Taxation		-	-	-	-
Surplus/(Deficit) on continuing operations after depreciation of assets at valuation, disposal of assets and tax	10	1,967	(64)	8,927	9,474
Transfer to accumulated income within specific endowments	19	(78)	-	(26)	-
Surplus/(Deficit) for the year retained within general reserves before minority interests		**1,889**	**(64)**	**8,901**	**9,474**
Minority Interests		**-**	**-**	**15**	**-**
Surplus/(Deficit) for the year retained within general reserves		**1,889**	**(64)**	**8,916**	**9,474**

All items dealt with in arriving at the surplus/(deficit) on ordinary activities before taxation for 2012 and 2011 relate to continuing operations.

Note of historical cost surpluses and deficits

for the year ended 31 July 2012

	Note	2012 Group £000	2012 University £000	2011 Group £000	2011 University £000
Surplus/(Deficit) on continuing operations before taxation		1,967	(64)	8,927	9,474
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	20	399	388	399	389
Historical cost surplus before taxation		**2,366**	**324**	**9,326**	**9,863**
Historical cost surplus after taxation and endowments and minority interests		**2,288**	**324**	**9,315**	**9,863**

The notes on pages 20 to 33 form part of these accounts

Balance sheets

as at 31 July 2012

	Note	2012 Group £000	2012 University £000	2011 Group £000	2011 University £000
Fixed Assets					
Tangible assets	11	196,540	103,500	195,353	81,746
Investments at cost	12	36	7,584	36	7,584
Investments in associate	12	3	-	-	-
Investment in joint venture	12				
Share of gross assets		1,276	-	3,505	-
Share of gross liabilities		(151)	-	(2,621)	-
		197,704	**111,084**	**196,273**	**89,330**
Endowment Asset Investments					
Specific and general endowments held in cash	19	**806**	**92**	**721**	**85**
Intangible Assets					
Intellectual Property Rights		66	-	66	-
Goodwill	13	272	-	272	-
		338	-	**338**	**-**
Current Assets					
Stocks and work in progress		57	56	58	57
Debtors	14	15,685	120,466	18,178	114,155
Debtors due in more than one year	14	-	23,190	-	28,389
Investments		32,000	32,000	-	-
Cash at bank and in hand		11,866	2,887	32,810	27,101
		59,608	**178,599**	**51,046**	**169,702**
Creditors					
Amounts falling due within one year	15	(47,928)	(59,528)	(46,276)	(60,311)
Net Current Assets		**11,680**	**119,071**	**4,770**	**109,391**
Total Assets less Current Liabilities		**210,528**	**230,247**	**202,102**	**198,806**
Creditors					
Amounts falling due in more than one year	16	(77,490)	(98,914)	(71,317)	(67,664)
Provision for Liabilities and Charges	17	(2,915)	(2,915)	(3,264)	(3,264)
Total Net Assets excluding pension liability		**130,123**	**128,418**	**127,521**	**127,878**
Net pension liability	28	(63,449)	(63,449)	(46,177)	(46,177)
Net assets including pension liability		**66,674**	**64,969**	**81,344**	**81,701**
Represented by:					
Deferred Capital Grants	18	47,171	47,140	48,730	48,730
Endowments					
Specific and general endowments	19	806	92	721	85
Reserves					
Income and expenditure account excluding pension reserve		67,392	66,653	62,917	64,142
Pension reserve	28	(63,449)	(63,449)	(46,177)	(46,177)
Income and expenditure account including pension reserve	21	**3,943**	**3,204**	**16,740**	**17,965**
Revaluation reserve	20	14,752	14,533	15,151	14,921
Total Reserves		18,695	17,737	31,891	32,886
Total Funds before Minority Interests		**66,672**	**64,969**	**81,342**	**81,701**
Minority Interests		**2**	**-**	**2**	**-**
Total Funds		**66,674**	**64,969**	**81,344**	**81,701**

Approved by the Board of Governors on 22 November 2012 and signed on its behalf by:

Michael Thorne, Vice Chancellor

Lord Tomlinson, Chairman

The notes on pages 20 to 33 form part of these accounts

Consolidated cash flow statement

for the year ended 31 July 2012

	Note	2012 Group £000	2011 Group £000
Operating Activities			
Net cash inflow from Operating Activities	25	**10,741**	**20,183**
Returns on Investments and Servicing of Finance			
Interest received		346	56
Interest paid		(1,057)	(1,193)
Interest paid on finance lease		(1,454)	(1,112)
Net Cash Outflow from Returns on Investments and Servicing of Finance		**(2,165)**	**(2,249)**
Capital Expenditure and Financial Investments			
Payments to acquire tangible fixed assets		(12,271)	(44,175)
Receipts from sale of tangible fixed assets	14	3,930	3,930
Deferred capital grants received		3,157	11,675
Net Cash Outflow from Investing Activities		**(5,184)**	**(28,570)**
Acquisitions and Disposals			
Purchase of interest in associated undertaking		(3)	-
Net Cash Outflow from Acquisitions and Disposals		**(3)**	**-**
Management of Liquid Resources			
Movement on current asset investments		(32,000)	795
Net Cash Outflow before Financing		**(28,611)**	**(9,841)**
Financing			
Finance lease capital repayment		(147)	(72)
New Bank loans		8,944	26,773
Bank loan repayments		(1,130)	-
Net Cash Inflow from Financing		**7,667**	**26,701**
(Decrease)/Increase in Cash and Cash Equivalents	27	**(20,944)**	**16,860**
Reconciliation of Net Cashflow to Movement in Net Debt			
(Decrease)/Increase in cash in the period		(20,944)	16,860
Movement in current asset investments		32,000	(795)
New bank loans		(8,944)	(26,773)
Bank loan repayments		1,130	-
Movement on finance leases		147	72
Change in net debt resulting from cashflows		**3,389**	**(10,636)**
Net Debt at 1 August		(39,498)	(28,862)
Net Debt at 31 July		**(36,109)**	**(39,498)**

The notes on pages 20 to 33 form part of these accounts

Statement of total recognised gains and losses

for the year ended 31 July 2012

	Note	2012 Group £000	2012 University £000	2011 Group £000	2011 University £000
Retained surplus/(deficit)		1,889	(64)	8,916	9,474
Movement on endowments	19	85	7	91	65
Actuarial loss in respect of pension scheme	28	(15,085)	(15,085)	(7,731)	(7,731)
Total recognised (losses)/gains relating to the year		**(13,111)**	**(15,142)**	**1,276**	**1,808**
Reconciliation of movement on reserves & endowments					
Opening reserves and endowments		32,612	32,971	31,336	31,163
Total recognised (losses)/gains for the year		(13,111)	(15,142)	1,276	1,808
Closing reserves and endowments		**19,501**	**17,829**	**32,612**	**32,971**

Notes to the accounts

for the year ended 31 July 2012

		2012 Group £000	2012 University £000	2011 Group £000	2011 University £000
1. Funding Council Grants					
HEFCE recurrent grant		39,664	36,891	44,984	41,850
HEFCE specific grants		1,774	1,774	3,137	3,137
HEFCE deferred capital grants released in year	18	4,057	4,057	4,157	4,157
Training Development Agency Grant		2,508	2,327	3,271	3,061
		48,003	**45,049**	**55,549**	**52,205**
2. Academic Fees and Support Grants					
Full-time		33,810	31,584	29,081	27,048
Overseas fees		13,352	13,316	10,193	10,147
Part-time		6,454	5,996	7,139	6,650
SHA educational contracts		24,997	24,997	25,219	25,219
Other		8,093	7,902	6,860	6,599
		86,706	**83,795**	**78,492**	**75,663**
3. Research Grants and Contracts					
Research Councils and UK based charities		1,271	1,271	1,033	1,033
Grants and contracts		1,177	1,177	631	631
		2,448	**2,448**	**1,664**	**1,664**

Notes to the accounts

for the year ended 31 July 2012

	Note	2012 Group £000	2012 University £000	2011 Group £000	2011 University £000
4. Other Operating Income					
Residences, catering and conferences		7,374	7,374	7,724	7,724
Other services rendered:					
Training and Development		8,044	-	15,329	-
Staff secondment income		111	57	401	286
Other		1,107	1,099	987	987
Release of deferred capital grants (non-funding council)	18	440	435	337	337
Gift Aid from subsidiary companies		-	528	-	572
Other income:					
Other grant income		1,978	1,978	1,883	1,883
Inter-company sales		-	3,769	-	3,200
Other		4,124	3,095	3,950	2,812
		23,178	**18,335**	**30,611**	**17,801**
5. Interest Receivable & Endowments					
Income from short term investments		346	340	56	54
Other interest receivable		-	1,786	-	1,510
Specific Endowments (Anglia Trust Note 19)		78	-	26	-
		424	**2,126**	**82**	**1,564**
6. Staff Costs					
Salaries and wages		66,104	58,128	66,610	57,749
Social security costs		5,137	4,564	5,330	4,448
Pension costs		7,603	7,548	7,647	7,587
Exceptional past service gain and curtailment loss (FRS 17 adjustment, note 28)		513	513	219	219
Other pension costs (including FRS 17 adjustments, note 28)		(121)	(121)	35	35
		79,236	**70,632**	**79,841**	**70,038**

Emoluments of the Vice Chancellor:	2012 £000	2011 £000
Salary	255	243
Benefits in kind	10	10
	265	253
Pension contribution	20	34
	285	**287**

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 who are members of that scheme.

	2012 Group	2011 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	4	5
£150,000-£159,999	1	-
£160,000-£169,999	1	1
	10	**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:

	2012 Number	2011 Number
Teaching departments	1,173	1,210
Teaching support services	298	299
Administrative and central services	169	174
Premises	101	106
Other income generating activities	22	21
Catering and residences	66	67
	1,829	**1,877**
Average staff numbers by major category:		
Academic and Research	749	775
Administrative and Support	1,080	1,102
	1,829	**1,877**
Staff costs for above persons		
	£000	**£000**
Teaching departments	53,975	54,620
Teaching support services	10,788	11,033
Administrative and central services	8,594	8,293
Premises	3,319	3,415
Other income generating activities	431	566
Catering and residences	1,737	1,660
FRS 17 adjustment, note 28	392	254
	79,236	**79,841**
Staff costs for above persons by major category	**£000**	**£000**
Academic and Research	41,796	42,680
Administrative and Support	37,048	36,907
FRS 17 adjustment, note 28	392	254
	79,236	**79,841**

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 2012

	Note	2012 Group £000	2012 University £000	2011 Group £000	2011 University £000
7. Other Operating Expenses					
Teaching Departments		28,967	22,294	31,195	21,068
Contracted-out Lecturing Services		422	422	535	535
Teaching & Other Support Services		5,483	5,389	5,078	5,035
Administration and Central Services (including amortisation of goodwill)		7,795	7,692	8,601	8,524
Premises		8,234	4,184	7,261	3,808
Other Income Generating Activities		303	277	346	276
Catering and Residences		3,876	2,969	3,985	3,323
Franchised Provision		3,425	3,425	3,645	3,645
Group Purchases		-	6,524	-	10,759
		58,505	**53,176**	**60,646**	**56,973**
8. Interest Payable					
Other Interest		-	814	-	543
Loans not wholly repayable within five years		1,057	1,368	1,147	1,120
Pension Provision Notional Interest	17	156	156	170	170
Finance lease		1,454	5,355	1,112	1,112
Pension finance costs (FRS 17 adjustment, note 28(e))		1,795	1,795	1,384	1,384
		4,462	**9,488**	**3,813**	**4,329**
9. Exceptional Items					
Restructuring Costs		6,143	6,051	524	393
		6,143	**6,051**	**524**	**393**

In furtherance of the objectives outlined in the Corporate Plan a series of voluntary severance and early retirement programmes have been implemented in order to assist with the re-alignment of our staff base. The charges include payments made during the year with an accrual for future commitments where a constructive obligation existed at the year end.

	2012 Group £000	2011 Group £000
10. Surplus on Continuing Operations for the Year		
University's (deficit)/surplus for the year	(64)	9,474
Surplus generated by subsidiary undertakings and transferred to the University under gift aid	(528)	(573)
Other surpluses/(deficits) generated by subsidiary undertakings		
Anglia Ruskin Enterprise Ltd	74	35
Network Planning & Maintenance Anglia Ltd	613	(462)
Anglia Ruskin Development Ltd	2,017	172
Bishop Hall Properties Ltd	146	627
Anglia Trust	78	26
Anglia Distance Learning Ltd (50% holding)	243	180
Balances eliminated on consolidation	(507)	(431)
Ixion Holdings Ltd (Group)	(105)	(121)
	1,967	**8,927**
Audit fees for the year include:		
External audit	48	47
External audit - subsidiaries and joint ventures	108	91
Additional non-audit work	48	51
Internal audit	105	95
	309	**284**
Operating Lease Charges for the year include:		
Plant and Machinery	262	571
Other	2,441	2,220
	2,703	**2,791**

11. Fixed Assets

		Freehold Land £000	Freehold Buildings £000	Leasehold Land & Buildings £000	Alterations and Improvements £000	Equipment & Other £000	Total £000
Group							
Valuation/Cost							
At 1 August 2011	Valuation	7,724	24,163	-	-	1,100	32,987
	Cost	8,142	129,008	8,507	22,799	55,530	223,986
Additions	Cost	-	6,727	-	1,727	2,982	11,436
At 31 July 2012	**Valuation**	**7,724**	**24,163**	**-**	**-**	**1,100**	**32,987**
	Cost	**8,142**	**135,735**	**8,507**	**24,526**	**58,512**	**235,422**
Depreciation							
At 1 August 2011		-	23,411	2,318	6,234	29,657	61,620
Charge for year		-	3,155	140	1,757	5,197	10,249
At 31 July 2012		**-**	**26,566**	**2,458**	**7,991**	**34,854**	**71,869**
Net Book Value							
At 1 August 2011		15,866	129,760	6,189	16,565	26,973	195,353
At 31 July 2012		**15,866**	**133,332**	**6,049**	**16,535**	**24,758**	**196,540**
Inherited		7,724	7,027	-	-	-	14,751
Financed by capital grant		-	29,935	-	7,058	10,180	47,171
Other		8,142	96,370	6,049	9,477	14,578	134,618
		15,866	**133,332**	**6,049**	**16,535**	**24,758**	**196,540**
University							
Valuation/Cost							
At 1 August 2011	Valuation	7,724	22,251	-	-	-	29,975
	Cost	2,875	28,963	8,507	18,576	41,448	100,369
Additions	Cost	-	814	28,888	1,727	2,795	34,224
At 31 July 2012	**Valuation**	**7,724**	**22,251**	**-**	**-**	**-**	**29,975**
	Cost	**2,875**	**29,777**	**37,395**	**20,303**	**44,243**	**134,593**
Depreciation							
At 1 August 2011		-	12,380	2,318	6,202	27,698	48,598
Charge for year		-	1,220	4,491	1,713	5,046	12,470
At 31 July 2012		**-**	**13,600**	**6,809**	**7,915**	**32,744**	**61,068**
Net Book Value							
At 1 August 2011		10,599	38,834	6,189	12,374	13,750	81,746
At 31 July 2012		**10,599**	**38,428**	**30,586**	**12,388**	**11,499**	**103,500**
Inherited		7,724	6,809	-	-	-	14,533
Financed by capital grant		-	29,935	-	7,058	10,148	47,140
Other		2,875	1,684	30,586	5,330	1,351	41,827
		10,599	**38,428**	**30,586**	**12,388**	**11,499**	**103,500**

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 TMA, 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 (2011: £139,749) is in respect of assets held under a finance lease.
At 31 July 2012 the net book value of the assets held under a finance lease was £6,049,213 (2011: £6,188,962).

12. Investments

	2012 Group £000	2012 University £000	2011 Group £000	2011 University £000
Anglia Ruskin Enterprise Limited	-	500	-	500
Anglia Ruskin Development Limited	-	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 associate	3	-	-	-
Investment in joint venture				
Share of gross assets	1,276	-	3,505	-
Share of gross liabilities	(151)	-	(2,621)	-
	1,125	**-**	**884**	**-**

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

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

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

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 entrepreneuralism.
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 own a 33% interest in Ixion Applied Psychology and Technology Limited, a joint venture.
Ixion Holdings Limited own a 20% interests in Paragon Concorde Limited, a joint venture.
Ixion Holdings Limited own a 25% interest in the 10,000 'B' shares of Paragon Concorde Families Limited. The 1 'A' share is owned by Paragon Concorde Limited.
Ixion Holdings Limited had the following interest in a joint venture company until 25 November 2011 when it was put into liquidation.
East of England IDB Limited - 50 £1 ordinary shares representing 50% of the issued share capital

	2012 Group £000	2012 University £000	2011 Group £000	2011 University £000
13. Goodwill				
Goodwill arising on acquisitions				
Cost				
At 1 August 2011	3,881	2,256	3,922	2,256
Other Movements	-	-	(41)	-
At 31 July 2012	**3,881**	**2,256**	**3,881**	**2,256**
Amortisation				
At 1 August 2011	3,609	2,256	3,008	1,655
Charge for the year	-	-	601	601
At 31 July 2012	**3,609**	**2,256**	**3,609**	**2,256**
Net Book Value				
At 1 August 2011	272	-	914	601
At 31 July 2012	**272**	**-**	**272**	**-**
14. Debtors				
Amounts falling due within one year:				
Trade debtors	8,395	7,387	7,791	6,176
Strategic Health Authorities	-	-	471	471
Other Debtors	141	140	331	56
Debtors from within group	-	477	-	655
Prepayments and accrued income	4,651	2,214	2,836	1,748
Anglia Trust	2,498	2,498	2,819	2,819
Fixed Asset Sales	-	-	3,930	3,930
Loans to subsidiary companies	-	107,750	-	98,300
	15,685	**120,466**	**18,178**	**114,155**
Amounts falling due in more than one year:				
Convertible loan stock in subsidiary companies	-	23,190	-	28,389
	-	**23,190**	**-**	**28,389**

The Fixed Asset Sales debtor relates to the sale of the Central Campus. This was 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	2,279	2,142	844	769
Obligations under finance leases	206	450	147	147
Payments received on account	2,835	2,835	2,715	2,715
Trade creditors	2,950	2,541	2,623	2,197
Creditors in respect of fixed asset additions	1,712	1,033	2,547	1,869
Funding Council	147	147	8,798	8,798
Other creditors	21,335	26,604	16,324	21,844
Social Security and other taxation payable	2,833	1,689	496	1,578
Accruals and deferred income	9,140	7,425	10,447	8,079
Voluntary Severance Scheme Accruals	3,933	3,933	152	152
Bursaries and Scholarships Accruals	558	382	1,183	1,009
Creditors from within the group	-	10,347	-	11,154
	47,928	**59,528**	**46,276**	**60,311**

	Note	2012 Group £000	2012 University £000	2011 Group £000	2011 University £000
16. Creditors: Amounts falling due after one year					
Secured bank loans are due for repayment as follows:					
Amounts due between 1 and 5 years		9,482	8,924	7,008	6,412
Amounts due in more than 5 years		58,054	55,091	54,149	51,092
		67,536	**64,015**	**61,157**	**57,504**
Obligations under finance leases are due for repayment as follows:					
Amounts due between 1 and 5 years		1,591	2,618	1,265	1,265
Amounts due in more than 5 years		8,363	32,281	8,895	8,895
		9,954	**34,899**	**10,160**	**10,160**
Total Creditors: Amounts falling due after one year		**77,490**	**98,914**	**71,317**	**67,664**

The loan facility, with Lloyds TSB in December 2006, was fully drawn down as at 31 July 2012.

£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 quarterly instalments, over 25 years. Repayments commenced in April 2012.

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 loan facility is unsecured subject only to a negative pledge over Anglia Ruskin University and its material subsidiaries fixed assets.

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.

17 Provision for Liabilities and Charges					
Pension Provision					
At 1 August		3,264	3,264	3,582	3,582
Charge to income and expenditure account	8	156	156	170	170
Utilised in year		(505)	(505)	(488)	(488)
		2,915	**2,915**	**3,264**	**3,264**

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).

Note	Funding Councils Group £000	Other Group £000	Total Group £000	Funding Councils University £000	Other University £000	Total University £000
18. Deferred Capital Grants						
Group and University						
At 1 August 2011						
Buildings	11,643	16,183	27,826	11,643	16,183	27,826
Alterations & Improvements	7,180	-	7,180	7,180	-	7,180
Equipment and Other	12,956	768	13,724	12,956	768	13,724
Total	**31,779**	**16,951**	**48,730**	**31,779**	**16,951**	**48,730**
Grant for year						
Buildings	1,908	756	2,664	1,908	756	2,664
Alterations & Improvements	-	-	-	-	-	-
Equipment and Other	238	36	274	238	-	238
Total	**2,146**	**792**	**2,938**	**2,146**	**756**	**2,902**
Released to income and expenditure account						
Buildings	(271)	(285)	(556)	(271)	(285)	(556)
Alterations & Improvements	(122)	-	(122)	(122)	-	(122)
Equipment and Other	(3,664)	(155)	(3,819)	(3,664)	(150)	(3,814)
Total	**(4,057)**	**(440)**	**(4,497)**	**(4,057)**	**(435)**	**(4,492)**
At 31 July 2012						
Buildings	13,280	16,654	29,934	13,281	16,654	29,935
Alterations & Improvements	7,058	-	7,058	7,058	-	7,058
Equipment and Other	9,531	649	10,180	9,530	618	10,148
Total	**29,868**	**17,303**	**47,171**	**29,868**	**17,272**	**47,140**

	Specific £000	General £000	Total £000
19. Endowments			
Group			
At 1 August 2011	638	83	721
Movement on income	139	102	241
Movement on expenditure	(61)	(95)	(156)
At 31 July 2012	**716**	**90**	**806**
Representing:			
Prize funds	2	-	2
Other funds	714	90	804
	716	**90**	**806**
University			
At 1 August 2011	2	83	85
Movement on income	-	102	102
Movement on expenditure	-	(95)	(95)
At 31 July 2012	**2**	**90**	**92**
Representing:			
Prize funds	2	-	2
Other funds	-	90	90
	2	**90**	**92**

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 2012	Unrestricted 2011/12 £000	Restricted 2011/12 £000	Total 2011/12 £000
Opening Balance	571	65	636
Income	17	122	139
Expenditure	(6)	(55)	(61)
At 31 July 2012	**582**	**132**	**714**

Note	2012 Group £000	2012 University £000	2011 Group £000	2011 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	15,353	15,176	14,954	14,787
Transferred to income and expenditure account	399	388	399	389
At 31 July	**15,752**	**15,564**	**15,353**	**15,176**
Net Revaluation Reserve:				
At 1 August	15,151	14,921	15,550	15,310
At 31 July	**14,752**	**14,533**	**15,151**	**14,921**
21. Income and Expenditure Account				
Balance brought forward	16,740	17,965	15,156	15,833
Retained surplus for the year	1,889	(64)	8,916	9,474
Transfer from revaluation reserve	399	388	399	389
Actuarial loss in respect of the pension scheme	(15,085)	(15,085)	(7,731)	(7,731)
Balance carried forward	**3,943**	**3,204**	**16,740**	**17,965**
22. Lease Obligations				
Operating Leases				
Land and buildings expiring:				
Within one year	1,356	1,356	1,212	1,212
Between one and five years	238	238	418	418
Over five years	588	2,010	499	2,014
	2,182	**3,604**	**2,129**	**3,644**
Other expiring:				
Within one year	-	-	8	8
Between one and five years	73	49	26	9
	73	**49**	**34**	**17**
23. Capital Commitments				
Commitments contracted at 31 July	20,322	1,540	25,607	1,013
Authorised but not contracted at 31 July	13,031	11,531	9,050	3,050
	33,353	**13,071**	**34,657**	**4,063**

These capital commitments will be met by a combination of capital receipts, loans and Anglia Ruskin University's own resources.

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 £250k from Lloyds bank to the Students' Union. The amount outstanding on this loan as at 31 July 2012 is £125.6k.
Anglia Ruskin University has also specifically guaranteed bank loans of £3.7m from Lloyds to Anglia Ruskin Development Limited.

	2012 Group £000	2011 Group £000
25. Reconciliation of Consolidated Operating Surplus to Net Cash from Operating Activities		
Surplus before tax	1,967	8,927
Depreciation (Note 11)	10,249	9,324
Deferred capital grants released to income	(4,497)	(4,494)
Investment income	(424)	(82)
Interest payable	4,306	3,643
Decrease in stocks	1	6
Increase in debtors	(1,656)	(856)
Increase in creditors and accruals	993	3,383
Decrease in provisions	(349)	(318)
Increase in joint venture investment assets	(241)	(180)
Pension costs less contributions payable	392	254
Amortisation of goodwill	-	576
Net cash inflow from operating activities	**10,741**	**20,183**

	2012 Group £000	2012 University £000	2011 Group £000	2011 University £000
26. Cash Flow Relating to Exceptional Items				
Restructuring costs	(2,192)	(2,102)	(842)	(711)
	(2,192)	**(2,102)**	**(842)**	**(711)**

	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	32,810	(20,944)	-	11,866
Debt due within one year	(844)	844	(2,279)	(2,279)
Debt due after one year	(61,157)	(8,658)	2,279	(67,536)
Finance Leases	(10,307)	147	-	(10,160)
Current Asset Investment	-	32,000	-	32,000
	(72,308)	24,333	-	(47,975)
	(39,498)	**3,389**	**-**	**(36,109)**

28. Pension Arrangements of the Group

Anglia Ruskin University's employees belong to two principal pension schemes, the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Essex County Council Local Government Pension Scheme (LGPS) for non-teaching staff, which are both of the defined benefit type. The Group also administers a stakeholder pension scheme.

Total pension cost for the year	2012 Group £000	2012 University £000	2011 Group £000	2011 University £000
TPS: contributions paid	3,592	3,592	3,669	3,669
LGPS:				
Contributions paid	3,956	3,956	3,918	3,918
FRS 17 charge	392	392	254	254
	4,348	4,348	4,172	4,172
Other: contributions paid	55	-	60	-
Total pension charge to Income and Expenditure Account (staff costs)	**7,995**	**7,940**	**7,901**	**7,841**

TPS

The TPS is an unfunded defined benefit scheme. Contributions on a 'pay-as-you-go' basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972. A notional asset value is ascribed to the scheme for the purpose of determining contribution rates.

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 normally assessed not less than once every 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%
Value of notional assets at date of last valuation (the Account)	£162,650 million
(estimated future contributions together with notional investments held at 31 March 2004)	
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 2011 to 31 July 2012 the employer contribution was 14.1%.
The employee rate was 6.4% for the period to 31 March 2012 with rates between 6.4% and 8.8% depending on the member's salary from 1 April 2012.
An appropriate provision in respect of unfunded pensioners' benefits is included in provisions.

The total Group contributions made for the year ended 31 July 2012 were £5,354,300 (2011: £5,584,126), of which employers' contributions totalled £3,592,315, (2011: £3,669,841) and employees' contributions totalled £1,761,985 (2011: £1,665,285).

LGPS

The LGPS is a funded defined benefit scheme, with the assets held in a separately administered fund held by Essex County Council.

The pension costs are assessed in accordance with the advice of independent qualified actuaries, Barnett Waddingham, 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 2012 were £5,624,105 (2011: £5,576,497), of which employers' contributions totalled £3,955,657 (2011: £3,918,267) and employees' contributions totalled £1,668,448 (2011: £1,658,230).

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, remaining at this rate in 2012-13.

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 2012	Value at 31 July 2012 £000	Long term rate of return expected at 31 July 2011	Value at 31 July 2011 £000
Equity	5.90%	53,948	7.00%	50,475
Gilts	2.80%	4,691	3.90%	5,166
Other bonds	3.90%	7,037	4.90%	6,273
Property	4.90%	9,382	6.00%	8,339
Cash	0.50%	3,127	0.50%	3,542
Other	0.00%	-	0.00%	-
Total Market value of assets	5.20%	**78,185**	6.18%	**73,795**
Present value of scheme liabilities		(141,634)		(119,972)
Deficit in scheme		**(63,449)**		**(46,177)**

(b) Actuarial assumptions

A FRS 17 valuation was carried out 31 July 2012 by a qualified actuary.
The major assumptions used by the actuary were:

At 31 July	2012	2011
Rate of increase in salaries	3.60%	4.40%
Rate of increase in pension payments	1.80%	2.90%
Discount rate	3.90%	5.30%
Rate of RPI inflation	2.60%	3.40%
Rate of CPI inflation	1.80%	2.90%
Investment returns per annum	5.20%	6.18%

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	22.70	22.60
Females	25.30	25.20
Retiring in 20 years		
Males	24.10	24.00
Females	26.80	26.80

(c) Assets and Liability Reconciliation	2012 £000	2011 £000
Reconciliation of Liabilities		
Liabilities at the start of the year	119,972	102,944
Current service cost	4,304	4,237
Interest cost	6,470	5,745
Employee contributions	1,667	1,659
Actuarial loss on liabilities	11,024	8,037
Benefits/transfers paid	(2,316)	(2,869)
Past service cost/(gain)	-	13
Curtailment and settlements	513	206
Liabilities at the end of the year	**141,634**	**119,972**
Reconciliation of Assets		
Assets at the start of the year	73,795	66,136
Expected return on assets	4,675	4,361
Actuarial (loss)/gain on assets	(4,061)	306
Employer contributions	4,425	4,202
Employee contributions	1,667	1,659
Benefits/transfers paid	(2,316)	(2,869)
Assets at the end of the year	**78,185**	**73,795**

28. Pension Arrangements of the Group continued...

(d) History of experience gains and losses

	Note	2012 £000	2011 £000	2010 £000	2009 £000
Actual return less expected return on pension scheme assets		(4,061)	306	5,914	7,703
Experience gains and losses arising on the scheme liabilities		(100)	(4,887)	-	-
Changes in assumptions underlying the present value of scheme liabilities		(10,924)	(3,150)	(6,189)	(9,457)
Impact of RPI to CPI adjustment		-	-	7,216	-
Other		-	-	-	-
Total (loss)/gain recognised in the statement of total recognised gains and losses		**(15,085)**	**(7,731)**	**6,941**	**(1,754)**

(e) Analysis of amounts charged to interest payable

Expected return on pension scheme assets		4,675	4,361
Interest on pension scheme liabilities		(6,470)	(5,745)
	8	**(1,795)**	**(1,384)**

Early retirement costs met by Anglia Ruskin University

The University holds a provision in respect of enhanced pension entitlements of staff taking early retirement, in accordance with SSAP24 requirements. Interest of £156k (2011: £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.

	2012 £000	2011 £000
29. Opportunity Bursaries and Hardship Funds		
Funding Council Grants	510	532
Interest earned	-	-
	510	532
Disbursed to students	**512**	**529**
Balance brought forward	(12)	(15)
Balance carried forward	-	-
Deficit	**(14)**	**(12)**
30. ITT Training Bursaries		
Funding Council Grants	527	1,395
Disbursed to students	539	1,122
(Deficit)/Surplus	**(12)**	**273**

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 2011 Accounts

The 2011 accounts have been restated where applicable for reasons of comparability.

Governors, Senior Staff of Anglia Ruskin University and Advisers

from 1 August 2011 to 22 November 2012

Chancellor
The Rt Hon Lord Ashcroft KCMG

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Governors
Dr J Booth (from 15 September 2011)
Dr N Brown OBE (from 12 July 2012)
Mr G Carew (from 15 September 2011 until July 2012)
Dr Toby Carter (from 12 July 2012)
Mr Adrian Chaffey (until 5 July 2012)
Mr Matt East (from 4 November 2011)
Mr Mike Frost (until 3 November 2011)
Dr Patrick Geoghegan OBE (until October 2012)
Ms Margaret Hyde ((iii) from 16 October 2012)
Ms Ruth Jackson
Mrs Shirley Jamieson iii) (until 15 October 2012)
Mr Mark Lloyd
Mr Ian McManus
Mr Jafar Mirza OBE (until 2 April 2012)
Dr A Pirali (from 15 September 2011)
Mr John Ross (until January 2012)
Sir David Rowlands KCB iv)
Miss F Rust (from August 2012)
His Honour Judge Seymour (from 14 November 2011)
Mr Adam Sharples CB (from 13 September 2012)
Mr John Spence OBE
Ms Julie Spence OBE (from 24 November 2011)
Mr Roger Swain
Mr Jonathan Swan JP ii)
Prof Michael Thorne
Ms S Wright (from 15 September 2011 until September 2012)

Clerk to the Board of Governors
Mr Stephen Bennett

Deputy Clerk to the Board of Governors
Ms Elizabeth Collier (until March 2012)

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

i) Chair of Finance and General Purposes Committee
ii) Chair of Audit and 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