



## Amended Financial Statements For the year ended 31 July 2010

- The revised accounts replace the original accounts dated 23<sup>rd</sup> November 2010;
- They are now the statutory accounts;
- They have been prepared as at the date of the original accounts, and not as at the date of the revision and accordingly do not deal with events between those dates;
- The original accounts require one word to be changed in the Vice Chancellor's Report in the first paragraph on page 8 under the heading Public Benefit. The reference to the University being an 'exempt charity' should have referred to the University being a 'registered charity';
- The above single change has been made in the amended revised accounts.

## **Independent auditors' report to the members of Canterbury Christ Church University**

We have considered the information given in the revised directors' report for the year ended 31 July 2010. The revised directors' report replaces the original directors' report approved by the directors on 23 November 2010. The revised directors' report has been prepared under the Companies (Revision of Defective Accounts and Reports) Regulations 2008 and accordingly does not take account of events which have taken place after the date on which the original directors' report was approved.

### **Respective responsibilities of directors and auditors**

The directors are responsible for the preparation of the revised directors' report.

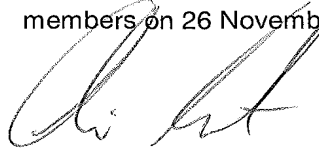
Our responsibility is to report to you whether the revised directors' report is consistent with the annual financial statements. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 454 of the Companies Act 2006 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **Basis of opinion**

Our consideration has been directed towards matters of consistency alone and not to whether the revised directors' report complies with the requirements of the Companies Act 2006.

### **Opinion**

In our opinion the information given in the revised directors' report is consistent with the annual financial statements for the year ended 31 July 2010 which were circulated to members on 26 November 2010.



Clive Everest  
Senior Statutory Auditor  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
80 Strand, London

26 November 2010

# CONTENTS

	<b>Page</b>
Directors and Advisers	1
Vice Chancellor's Report	2-10
Responsibilities of the University's Governing Body	11-12
Corporate Governance	13-14
Statement of Internal Control	15-16
Independent Auditors' Report to the Governing Body	17-18
Statement of Principal Accounting Policies	19-22
Consolidated Income and Expenditure Account	23
Statement of Consolidated Total Recognised Gains and Losses	24
Balance Sheets	25-26
Consolidated Cash Flow Statement	27
Notes to the Financial Statements	28-57

## DIRECTORS AND ADVISERS

### Directors and Governing Body Members for the year ended 31 July 2010 and up to the date of signing the financial statements

Mr P Abbots (to 31.07.10)	Mr D Kemp
The Revd J Ainsworth	Mr R Loder-Symonds (to 31.07.10)
Rt Revd T Willmott (from 01.02.10)	Mr T McDonald
Professor R Baker (Vice Chancellor from 01.09.10)	Mr L Preston (to 31.07.10)
Mr C Byrne (from 01.08.09)	Professor S Price (to 22.09.09)
Mr C Carmichael	Mr L Ridings (to 31.07.10)
Miss R Chinnadurai (from 01.08.09)	Mr P Sims
Mr S Clark (Deputy Pro-Chancellor from 01.08.09)	The Revd Canon J Smith (to 31.07.10)
Mr C Calcutt (from 01.08.10)	Mr S Godwin (from 01.08.10)
Mr F Martin (from 01.08.10)	Dr R Sturt (to 31.07.10)
Mr C Frederick (from 01.10.09)	Dame J Trotter
The Revd N Genders	Ms R Turner
Ms D Upton (from 01.08.10)	Mrs R Turner (from 01.10.09)
Venerable S Watson (from 01.01.10)	The Right Revd S Venner (to 30.11.09)
Mr P Hermitage (Pro-Chancellor from 01.08.09)	Dr C Bull (from 23.09.10)
Mr P Jones (from 01.11.09)	Professor M Wright (Vice Chancellor to 31.08.10)
Vacant post (from 01.08.10)	

### Clerk to the Governing Body

Mr P Bogle

### Independent Auditors

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
80 Strand  
London  
WC2R 0AF

### Internal Auditors

Grant Thornton UK LLP  
Grant Thornton House  
Melton Street  
London  
NW1 2EP

### Solicitors

Mills & Reeves  
Francis House  
112 Hill Road  
Cambridge  
CB2 1PH

### Registered Office

Canterbury Christ Church University  
c/o The Office of the University Solicitor  
Rochester House  
St Georges Place  
Canterbury  
Kent  
CT1 1UT

### Company and Charity Numbers

Registered company number 04793659  
Registered charity number 1098136

# VICE CHANCELLOR'S REPORT

## Activities and Objectives

The principal activities and objectives of Canterbury Christ Church University and its Subsidiary Companies are concerned with the provision of higher education, research and consultancy. To support these objectives, Canterbury Christ Church University and its Subsidiary Companies undertakes other activities, including the provision of accommodation, catering and conference services.

## Scope of Financial Statements

The Financial Statements for the year ended 31 July 2010 have been prepared to comply with the Statement of Recommended Practice (SORP) "Accounting for Further and Higher Education". The results of Salomons Centre Limited, The St Gregory's Foundation Canterbury and Medco (CCCU) Limited have been consolidated into Canterbury Christ Church University's Financial Statements.

Salomons Centre Limited was made dormant on 1<sup>st</sup> August 2010.

## Financial Strategy

Canterbury Christ Church University has a clear financial strategy and it is pleasing to note that the results for the financial year continue to show performance in line with the expectations set out in the medium term financial projections for the institution. In particular, Canterbury Christ Church University has achieved a surplus, which has fully met its strategic plan expectations of delivering a 3% surplus as a percentage of annual income. The actual surplus for the year is just over 4%. This has been achieved by means of a 9.7% increase in income whilst maintaining a careful control over costs.

Canterbury Christ Church University has the following aims set out in its financial strategy for the years 2006-2011:

- Canterbury Christ Church University will ensure that its planning for academic development and facilities is fully supported by a clear business case and included within the financial forecasts.
- The institution will adopt a transparent approach to the distribution of resources between academic and service support areas.
- Canterbury Christ Church University will continue to invest in high quality facilities for the benefit of its students and staff.
- Financial provision will be made for the institution to grow and develop its research activities.
- Financial provision will be maintained to enable Canterbury Christ Church University to develop new initiatives and restructure its cost base.
- The pricing policies of Canterbury Christ Church University will reflect that expected of a high quality academic institution, whilst remaining competitive.

## Summary Results for the Year

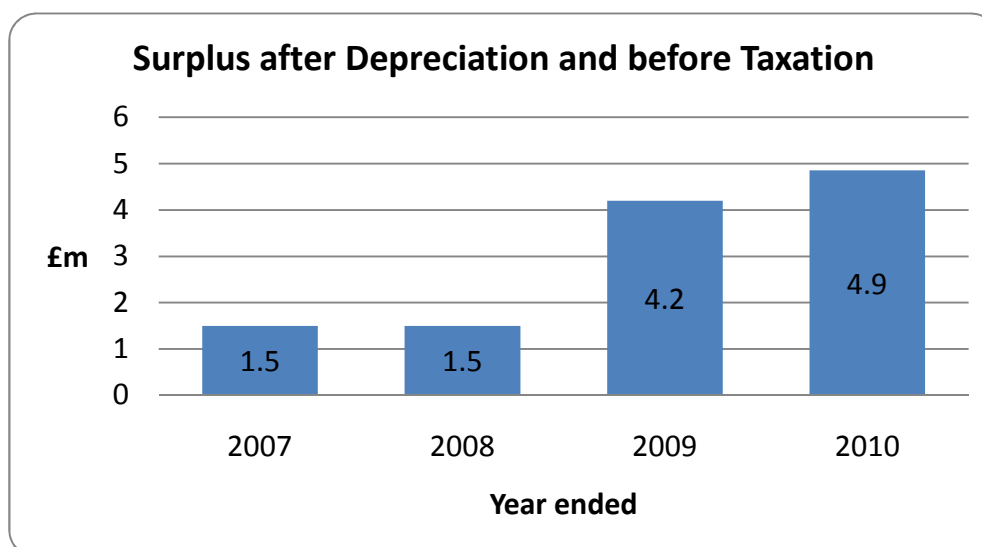
The consolidated results for the year ended 31 July 2010 are summarised as follows:

	<u>2010</u>	<u>2009</u>
	£000	£000
Income	113,392	103,334
Expenditure	108,569	99,135
<b>Operating surplus before exceptional items and taxation</b>	<b>4,823</b>	<b>4,199</b>
Net gain / (loss) on disposal of tangible fixed assets	66	(32)
<b>Surplus before taxation and transfer to endowment funds</b>	<b>4,889</b>	<b>4,167</b>

The particular areas to highlight from the financial results are:

- Total income growth of 9.7% to £113.4m (2009 14.3% to £103.3m)
- Increased expenditure of 9.5% to £108.6m (2009 12.2% to £99.1m)
- Operating surplus before exceptional items and taxation and endowment funds adjustment of £4.8m (2009 £4.2m)
- Operating surplus after exceptional items and before taxation and endowment funds adjustment of £4.9m (2009 £4.2m)
- Capital additions of £16.7m (2009 £37.6m)
- A pension scheme deficit of £14.8m (2009 £18.4m)

Canterbury Christ Church University has returned a surplus in 2009/10 which is consistent with its strategic plan objectives. Canterbury Christ Church University continues to target a 3% annual trading surplus as a requirement for financial sustainability, whilst recognising the financial pressures which will be evident with a general decline in public sector funding.



## Student Numbers

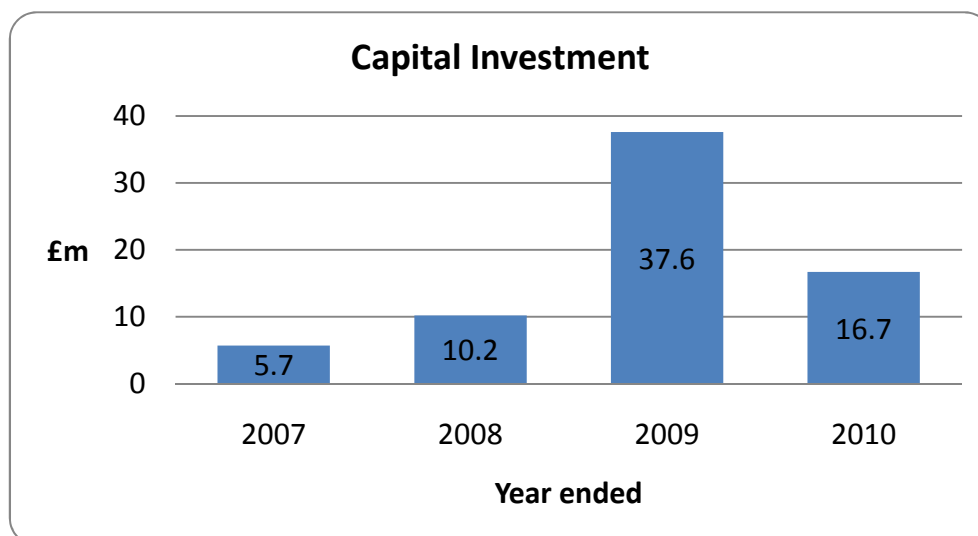
Currently Canterbury Christ Church University has approximately 17,000 students and continues to grow its funded numbers across all of the three main funding bodies e.g. Higher Education Funding Council for England (HEFCE), Training and Development Agency for Schools (TDA) and the National Health Service (NHS). The opportunities for further growth in student numbers will be reassessed by the institution in the light of its developing strategic plan and changes to public sector funding for Higher Education provision including the implications of Lord Browne's review of tuition fees "Securing a sustainable future for Higher Education".

## Capital Projects

The University has a 10 year capital investment plan which specifies the necessary developments in buildings, technology and other capital schemes. This plan supports the institution's overall Estates Strategy and includes planned investment on further improvements to student facilities including accommodation. Additionally, the supported schemes are carefully considered in order that they may maximise the community impact and support environmental sustainability initiatives. The investment plan is set in the context of Canterbury Christ Church University's strategic plan to significantly enhance and improve the quality of facilities for its students as well as supporting new technologies, enabling further growth and expansion of the institution's provision.

During 2009/10 the institution has fully brought into use in the Learning Resource Centre, Augustine House and a new sports centre, both in Canterbury. Additionally, a newly refurbished learning and research resource at Medway, Cathedral Court, along with the St George's Centre, also on the Medway campus, have been fully commissioned and operational for the 2009/10 year. The University is proud of these facilities that are now being used for the benefit of students and reflect the unprecedented capital investment which has taken place over the last three years.

Canterbury Christ Church University continues to invest in IT infrastructure and improved facilities on the main campus for students, including new teaching rooms, expanded refreshment and recreational areas. Canterbury Christ Church University has financed its capital programme through the generation of surpluses and has also agreed borrowing arrangements to part fund development in capital infrastructure that is planned over the medium term. Future funding for capital schemes remains uncertain and further investment will be considered in the context of opportunities for public sector support and the ongoing financial performance of the institution.

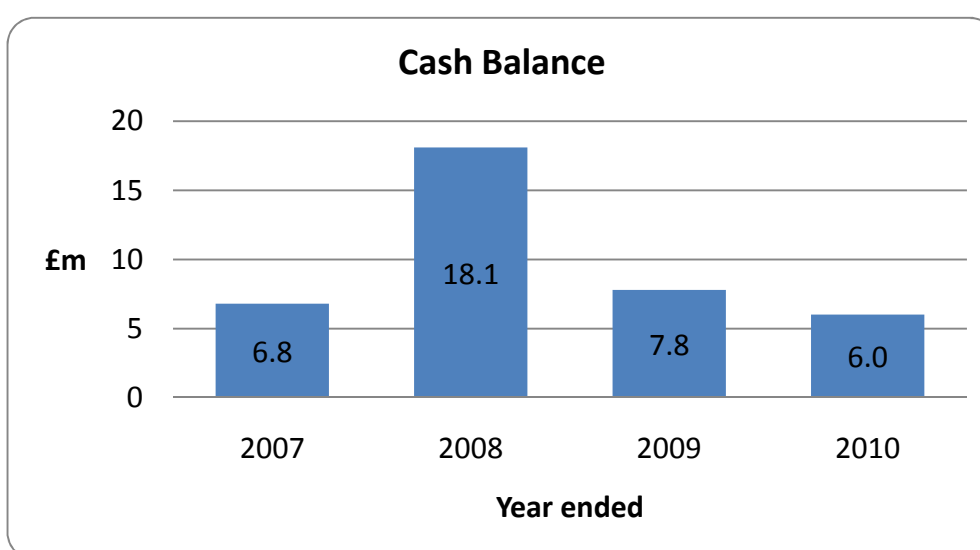


## Payment of Creditors

It is Canterbury Christ Church University's policy that payments are made in accordance with those terms and conditions agreed between the institution and its suppliers. Where no specific conditions exist, suppliers are paid within 30 days of the receipt of invoice.

## Cash Flow

Canterbury Christ Church University has continued to maintain appropriate cash balances whilst utilising approved loan facilities and cash generated through operations to support the significant capital investment. The cash position at the end of the financial year reflects the utilisation of liquid funds in this way. The institution recognises the importance of continuing to generate appropriate levels of surplus to enable the generation of further positive cash inflows in support of Canterbury Christ Church University's working capital and investment plans.

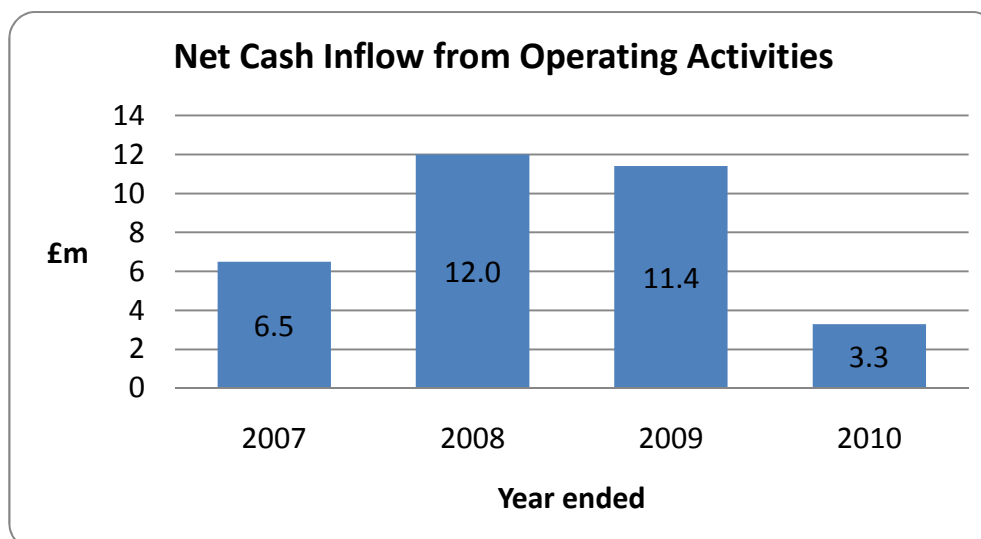
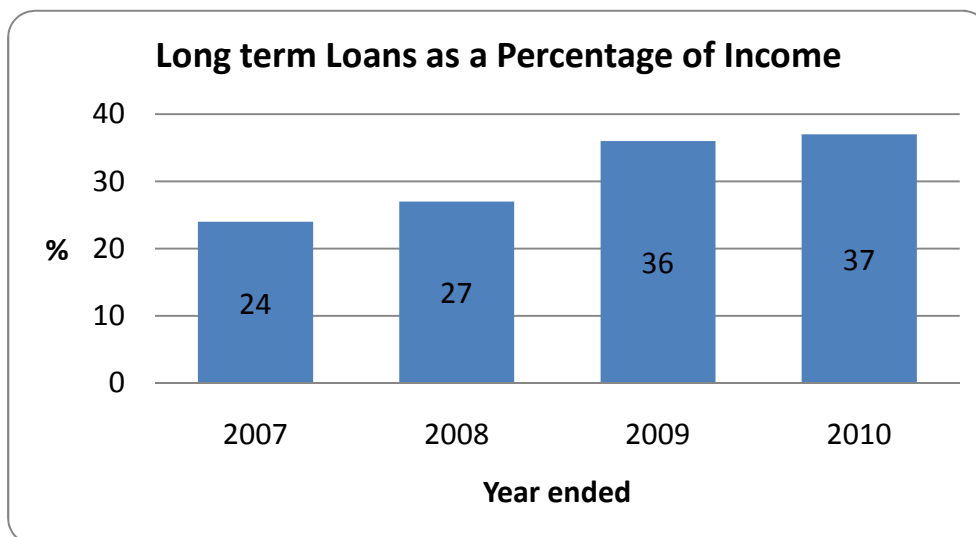


The cash position has decreased by £1.8m (2009 £10.3m) in the year.

## Long term loans as a percentage of income

All loan facilities have been fully drawn down to support the capital investment programme. The institution continues to maintain its overall borrowing levels within the strategic plan targets that have been set. Canterbury Christ Church University has anticipated the need to manage its loan financing arrangements in a careful and measured manner, recognising that conditions can change substantially over the 25-30 year period of a long term loan. The Governing Body has therefore agreed that the interest rate exposure will be carefully managed by means of a combination of variable and fixed rate borrowing.





Although the institution has an increased surplus year on year, net cash inflow has reduced reflective of payments that have been made in the year to complete the capital investment schemes. The increased surplus for the year has helped maintain the high level of net cash inflow from operating activities.

#### **Employment Policy**

Canterbury Christ Church University has maintained its staffing costs at approximately 57% of total expenditure. This single largest item of expenditure represents investment in the institution's most significant asset.

Canterbury Christ Church University encourages staff participation and involvement in the operation and management of the institution through its extensive committee, quality assurance and consultative structures. These include two Governing Body Committees covering Employment and Staffing and Equality and Diversity issues. Staff are also invited to participate in the election of three representatives who are appointed as full members of the Governing Body.

In order to ensure effective communication the institution operates a cascade communication process with fortnightly briefings by Managers to staff on key issues. The effectiveness of these processes are continually reviewed and have been subject to evaluation through Canterbury Christ Church University's achievement of Investors in People for a third time. Canterbury Christ Church University has also recently undertaken a staff survey which has elicited additional views and opinions on the effectiveness of communication processes. These comments are helping to shape and form a revised communication strategy.

For pay and other issues Canterbury Christ Church University is a member of the University and Colleges Employer Association, and participates fully within the National Negotiating Framework. The institution formally recognises three Unions – UCU, UNITE and UNISON. Canterbury Christ Church University maintains a joint Negotiating and Consultative Committee as well as a Joint Negotiating Group. These structures provide an effective vehicle by which issues of mutual concern can be addressed.

The University is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status. The University gives full and fair consideration to applications for employment for disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the group. If members of staff become disabled the institution continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

### **Main Risks**

The identification and management of risks is the responsibility of the Governing Body and the University management. Canterbury Christ Church University's processes ensure that a culture of risk management is embedded amongst staff. Canterbury Christ Church University has in place a risk management programme that seeks to limit the adverse effects on the performance of Canterbury Christ Church University and the system to manage these risks is described in the statement of internal control.

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 2010 and up to the date of approval of the financial statements, and accords with the HEFCE and Turnbull guidance.

The structure of meetings enables risk management and internal control to be considered on a regular basis during the year. In addition risk management has been embedded into the corporate planning and decision-making processes of the institution, partly because those leading projects now prepare risk analyses and partly because Heads of Departments ensure that the staff responsible to them are not only aware of the risks in their areas set out in the Risk Register, but also identify other risks which arise from their operations. Further details regarding risk management are included within the Statement of Internal Control on pages 15 and 16.

Canterbury Christ Church University has Internal Auditors, who operate to standards defined in the HEFCE Audit Code of Practice and who were last reviewed for effectiveness by the HEFCE Audit Service in 2005. The Internal Auditors submit regular reports which include their independent opinion on the adequacy and effectiveness of the system of internal control, together with recommendations for improvement. The Internal Auditors have, in conjunction with the University Solicitor, recently undertaken a series of risk management workshops for all Canterbury Christ Church University Faculties and Directorates to assist in promoting best practice and the embedding of risk management across Canterbury Christ Church University.

The Governing Body's review of the effectiveness of the system of internal control is also informed by the work of the executive managers within Canterbury Christ Church University, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the External Auditors in their management letter. The HEFCE also provide an annual assessment which again confirmed in March 2010 that the Institution was not currently at higher risk.

Whilst a prudent approach has been adopted to financial planning, Canterbury Christ Church University considers that there are a number of key risks to its financial health and sustainability which are also likely to be experienced in other institutions across the sector. The main areas identified are:

- Pressure on pay and pensions.
- Constraints on government spending within the public services and its consequential impact upon Canterbury Christ Church University.
- Responding to the implication of Lord Browne's review of Higher Education funding and student finance.
- The decline in the number of school leavers entering into Higher Education.
- The impact of a recession on demand for higher education and, in particular, employer sponsored education and training.

### **Directors indemnities**

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

### **Public Benefit**

Canterbury Christ Church University is a registered charity within the meaning of the Charities Act 1993 and as such is required to demonstrate how its work is of 'public benefit'. Inextricably linked with the primary purpose of Canterbury Christ Church University is the aim of contributing to the public good. Through its teaching, research and Knowledge Transfer, the institution's aims are to contribute considerable public benefit to the local, national and international community. Trustees have had regard to Charity Commission guidance on public benefit in section 4 of the Charities Act 2006.

The University aims to be a leading employer engagement university, with a particular emphasis on the public services. It plays a key role in taking forward the skills agenda whilst delivering a flexible, demand-led portfolio of education and development. The University's student profile is varied, a significant proportion being mature learners.

Contributing towards a more employable graduate workforce, the University develops and delivers programmes in association with public sector organisations both locally and nationally. Canterbury Christ Church University embeds employability within the curriculum wherever possible, and many of our courses are designed with the needs of employers in mind. This ensures that programmes are current, relevant and appropriate to both students and the employers.

Vocational pathways linked to employment, part time and flexible study routes, appropriate levels of study support underpinned with key skills/graduate skills all play a key role in the future development of local communities.

The continuing work of the University's Widening Participation team and its lead role in Aim Higher and Lifelong Learning networks ensures that its reach is extended into schools and colleges and raises the aspirations and progression of young people and under represented groups into higher education. The team provides advice to inspire school and college students to progress into higher education. Through a range of initiatives, including summer schools, progression days, mentoring sessions, master classes, workshops, taster days, careers fairs and work experience opportunities, the University has helped to open access to its programmes to large numbers of students who may otherwise not have engaged in higher education.

The University's Volunteering service is designed to allow local voluntary, community and not-for-profit organisations to benefit from the skills and enthusiasm of students and staff, who have invested their time into volunteering with local charities, schools and community groups. Students and staff are engaged in volunteering projects in the areas of the environment and conservation, arts and culture, the media, community activities, work with the young, the elderly, the disabled and disadvantaged.

As a Church of England foundation, the University enjoys effective partnerships with local faith groups and its chapel is used by external church organisations.

The University's research is applied for the benefit of the local community including, for example, research into Education and Music which is rated as world class. Particular research into the beneficial effects of music on people suffering early stage dementia is proving particularly beneficial in partnership with local community groups.

The University makes an important contribution to the cultural life of the local community by providing a series of music concerts as well as art and photography exhibitions, many of which are open to the general public and often free of charge.

#### **Reserves Policy and Key Performance Indicators (KPI's)**

The University seeks to retain a level of reserves to support its financial sustainability and in accordance with its strategic plan, the policy is reviewed in each academic term. The reserves position is maintained through the achievement of surpluses in line with the institution's target of 3%. The pensions liability reserve, whilst recognised in the balance sheet, represents a longer term liability which does not materially impact upon the short to medium term policy for the maintenance of a general reserve.

Monthly financial reports are produced for the Senior Management Team which include analysis of performance against KPI's and these are also reviewed at each meeting of the Finance & General Purposes Committee of the Governing Body. The table below shows KPI performance for the year ending 31<sup>st</sup> July 2010.

	<b>Year end 31/07/10</b>	<b>Year end 31/07/09</b>
Historical cost surplus/(deficit) as a % of income	4.1	4.1
Income and expenditure reserve as a % of total income	26.3	25.9
External borrowing as a % of total income	37.2	36.2
Current ratio	0.6	0.5
Net liquidity days	22.1	30.9

## **Conclusion and Outlook**

The financial results and the provision of excellent education for its students continue to provide a sound basis for the sustainable development of Canterbury Christ Church University. Over recent years the institution has fully met its strategic plan targets including the measures of financial sustainability. It does though recognise that, going forward, the general economic outlook and pressures on public expenditure will require a review of the strategic plan.

The process for developing a new strategic plan for the institution commenced with the appointment of the new Vice Chancellor at the start of the 2010/11 academic year. Whilst the strategic plan is being developed, and taking into consideration the current economic context of higher education, the institution has put on hold further development of its capital programmes. These are being reviewed for affordability and will be reassessed and prioritised consistent with the revised strategic objectives which will be agreed during spring 2011.

Notwithstanding the financial pressures facing the Higher Education sector over the coming years the institution is confident in its ability to respond to the challenges and to continue to provide excellent higher education opportunities for the benefit of students, employers and the local community.

Professor R Baker

**Vice Chancellor**

**Date: 29<sup>th</sup> March 2011**

## **RESPONSIBILITIES OF THE UNIVERSITY'S GOVERNING BODY**

In accordance with the Instrument and Articles of Government, the Governing Body of Canterbury Christ Church University is responsible, inter alia, for the effective use of resources, the solvency of Canterbury Christ Church University and the approval of annual estimates of income and expenditure. It is required to keep true accounts and to present audited financial statements for each financial year. Governors serve as Directors of the Company and trustees of Canterbury Christ Church University.

The Governing Body is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of Canterbury Christ Church University and to enable it to ensure that the financial statements are prepared in accordance with the Instrument and Articles of Government, the Statement of Recommended Practice, "Accounting for Further and Higher Education" and relevant accounting standards. In addition, within the terms and conditions of the Financial Memorandum agreed between the Higher Education Funding Council for England (HEFCE) and the Governing Body of Canterbury Christ Church University, the Governing Body, through its designated office holder, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of Canterbury Christ Church University and of the surplus or deficit and cash flows for that year.

In causing the financial statements to be prepared, the Governing Body has ensured that:

- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- financial statements are prepared on the going concern basis unless it is inappropriate to presume that Canterbury Christ Church University will continue in operation. The Governing Body is satisfied that Canterbury Christ Church 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.

The Governing Body has taken reasonable steps to:

- ensure that funds from the Higher Education Funding Council for England are used only for the purposes for which they have been given and in accordance with the Financial Memorandum with the Funding Council and any other conditions which the Funding Council may from time to time prescribe;
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- safeguard the assets of Canterbury Christ Church University and to prevent and detect fraud;
- safeguard the economical, efficient and effective management of Canterbury Christ Church University's resources and expenditure;
- review the means of securing its own effectiveness.

The Directors confirm, so far as each director is aware, there is no relevant audit information of which the company's (and Group's) auditors are unaware. Each director has taken all the steps that they ought to have taken in their duty as a director in order to make themselves aware of any relevant audit information and to establish that the company's (and Group's) auditors are aware of that information.

The key elements of Canterbury Christ Church University's system of internal financial control, which is designed to discharge the responsibilities set out above, include the following:

- clear definitions of the responsibilities of, and the authority delegated to, heads of academic and administrative departments;
- a comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- regular reviews of key performance indicators and business risks and quarterly reviews of financial results involving variance reporting and updates of forecast outturns;
- clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the Governing Body;
- comprehensive financial regulations, detailing financial controls and procedures, including a fraud policy, all as approved by the Finance Committee and Governing Body;
- compliance with a University policy on risk management;
- a professional Internal Audit team whose annual programme is approved by the Audit Committee under powers delegated by the Governing Body and whose head provides the Audit Committee with a report on internal audit activity within Canterbury Christ Church University and an opinion on the adequacy and effectiveness of Canterbury Christ Church University's system of internal control, including internal financial control.

Any system of internal financial control can, however, only provide reasonable, but not absolute, assurance against material misstatement or loss.

The Governing Body intends to publish the financial statements on Canterbury Christ Church University's website:

- The maintenance and integrity of the Canterbury Christ Church University website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website;
- Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Mr P Hermitage

**Pro-Chancellor (Chairman of the Governing Body)**

**Date: 29<sup>th</sup> March 2011**

## CORPORATE GOVERNANCE

The following statement is provided to enable readers of the Financial Statements of the institution to obtain a better understanding of the governance and legal structure of Canterbury Christ Church University.

Canterbury Christ Church 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 Higher Education Governing Bodies in the UK, issued in March 2009.

As an Anglican Foundation established in 1962 Canterbury Christ Church University operated under a Trust Deed until 2002/2003. It was a registered charity and, in accordance with S129a of the Education Reform Act 1988, its powers and framework of governance were set out in Articles of Government. The objects of the Charity, set out in the Trust Deed, were:

“the advancement of education, learning and research for the benefit of the public including, in particular, and without prejudice to the generality of the foregoing, the conduct and development of a College to be called Canterbury Christ Church University College or under such other name as the Governing Body with the approval of the Archbishop of Canterbury shall decide for the training of persons as teachers and the provision of other higher or further education.”

On 1 August 2003 the University College transferred its assets and liabilities to an incorporated body, a Company Limited by Guarantee, and registered as a Charity. It operates under the Memorandum and Articles of Association – which incorporates the Instrument and Articles from the previous Charitable Trust. Governors serve as Directors of the company and trustees of Canterbury Christ Church University.

On 1 August 2005, the Privy Council approved the institution’s application for full University status, and change of name to Canterbury Christ Church University. Companies House and the Charity Commission approved the change of name of the Company and the Registered Charity with effect from the same date.

The Articles of Government require Canterbury Christ Church University to have a Governing Body and an Academic Board, each with clearly defined functions and responsibilities, to oversee and manage its activities.

- The Governing Body is responsible for the finance, property and staffing of the institution. It is specifically required to determine the educational character and mission of the institution and to oversee its general strategic direction.
- The Governing Body comprises 24 members, chosen in line with criteria contained in the legislation identified above: the Pro-Chancellor (Chairman of the Governing Body) is elected from the nominated members. There is provision for the appointment of co-opted members, none of whom may be members of staff of Canterbury Christ Church University, and for representatives of the academic staff and of the student body. There is an established arrangement for the rotational retirement of members. No non-executive member of the Governing Body receives any reimbursement for the work which they do for Canterbury Christ Church University beyond travel and incidental expenses..
- Subject to the overall responsibility of the Governing Body, the Academic Board has oversight of the academic affairs of the institution and draws its membership from the staff and the students of Canterbury Christ Church University and representatives of other institutions. It is particularly concerned with general issues relating to teaching and research.



The roles of the Chancellor (installed December 2005) and the Pro-Chancellor (Chairman of the Governing Body) are separate from the role of Canterbury Christ Church University's Chief Executive, the Vice Chancellor. The Vice Chancellor is the head of the institution and has a general responsibility to the Governing Body for the organisation, direction and management of Canterbury Christ Church University. Under the terms of the formal Financial Memorandum between Canterbury Christ Church University and the Higher Education Funding Council for England, the Vice Chancellor is the designated officer of the institution and in that capacity can be summoned to appear before the Public Accounts Committee of the House of Commons.

Although the Governing Body meets at least four times each academic year, much of its detailed work is handled by committees, including Finance and General Purposes, Employment and Staffing, the Chairman's Committee (which fulfils the role of the Nominations Committee) and the Remuneration Committee. The decisions of these Committees and those of the Audit Committee are formally reported to the full Governing Body. The Audit Committee comprises four members of the Governing Body, not being members of any other committee or the Executive except that the Chairman is a member of the Chairman's Committee of the Governing Body, a committee without an executive role. The Audit Committee operates within the HEFCE Code of Practice 2004: its members may from time to time serve on working parties or other ad-hoc groups established by the Governing Body to consider specific projects. A significant proportion of the membership of all committees consists of nominated and co-opted Governors, other than co-opted student and staff members. Chairmanships are determined by the Governing Body on the advice of the Nominations Committee.

As Chief Executive, the Vice Chancellor exercises considerable influence upon the development of institutional strategy, the identification and planning of new developments and the shaping of the institutional ethos. The Senior Management Team (SMT) members all contribute in various ways to this aspect of the work, but the ultimate responsibility for what is done rests with the Vice Chancellor exercising the responsibility conferred by the Articles of Government.

Canterbury Christ Church University maintains a Register of Interests of members of the Governing Body which may be consulted by arrangement with the Clerk to the Governing Body. The Governing Body has powers to remove members in certain specified circumstances.

In accordance with the Articles of Government of the institution, the University Solicitor has been appointed as Clerk to the Governing Body and, in that capacity, provides independent advice on matters of governance to all members. The University Solicitor has also been appointed Company Secretary to the incorporated Canterbury Christ Church University, under the Memorandum and Articles of Association dated 10 June 2003 and revised in July 2005. Copies of the Memorandum and Articles of Association of the incorporated body - incorporating the Instrument and Articles of Government - are held in Canterbury Christ Church University Libraries at Canterbury, Tunbridge Wells (Salomons) and Broadstairs and are available for inspection in the office of the University Solicitor.

The Governing Body is committed to the maintenance of clear management, governance and leadership. In addition there is an ongoing commitment to a programme of reviewing governor effectiveness overseen by the Chairman's Committee, which resulted in a number of implemented actions in 2009/10. These are set out in the annual statement of governor effectiveness which is published on Canterbury Christ Church University's website.

## STATEMENT OF INTERNAL CONTROL

The Governing Body 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 they are responsible, in accordance with the responsibilities assigned to the Governing Body in the University's Instrument and Articles of Governance and the Financial Memorandum with the HEFCE.

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.

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 2010 and up to the date of approval of the financial statements, and accords with the HEFCE and Turnbull guidance.

The Governing Body has responsibility for the institution's system of internal control and for reviewing its effectiveness and that review covered all controls (financial, operational, risk management and compliance). The following processes have been established:

The Governing Body meets four times each year to consider the plans and strategic direction of the institution.

The Governing Body and the Audit Committee have approved the Risk Management Policy and Procedures which summarise the approach, roles and responsibilities, and the annual review of effectiveness process.

The Governing Body has assumed responsibility for oversight of the risk management process within Canterbury Christ Church University as a whole, and determined Canterbury Christ Church University's risk appetite, which is that it should seek to be innovative and creative, but with due regard to the need to manage risk. As Chief Executive, the Vice Chancellor has ultimate responsibility for the management of Canterbury Christ Church University, including the management of risk. The University solicitor oversees the risk management process adopted by Canterbury Christ Church University.

Canterbury Christ Church University maintains a comprehensive Strategic Risk Register that identifies the high level strategic risks facing the institution. Each risk has an identified risk owner clearly documented within the Register together with a scoring assessment based on likelihood and impact. Risks are given a gross and residual rating.

Risk identification and management is closely linked to the achievement of the Institution's objectives. All of Canterbury Christ Church University's 15 identified high level corporate risks are directly linked to one of the eight priorities contained in the University's 2006-11 Strategic Plan.

Each risk response has been formally considered by the University Solicitor, the SMT and the Audit Committee. The Vice Chancellor and the SMT monitor the top 'net exposure' risks on a regular basis, as well as the effectiveness of controls in place to manage less serious risks. Less serious risks are reviewed and monitored by Faculties and Departments as part of an overall approach, embedding risk assessment within Canterbury Christ Church University.

Regular reports are received from the Audit Committee concerning findings of the Internal Auditors and matters relating to internal control. The Vice Chancellor provides a written report to the Audit Committee on Canterbury Christ Church University's approach to Risk Management at each of its meetings.

The structure of meetings enables risk management and internal control to be considered on a regular basis during the year. In addition risk management has been embedded into the corporate planning and decision-making processes of the institution, partly because those leading projects now prepare risk analyses and partly because Heads of Departments ensure that the staff responsible to them are not only aware of the risks in their areas set out in the Risk Register, but also identify other risks which arise from their operations.

Canterbury Christ Church University has Internal Auditors, who operate to standards defined in the HEFCE Audit Code of Practice and who were last reviewed for effectiveness by the HEFCE Audit Service in 2005. The Internal Auditors submit regular reports which include their independent opinion on the adequacy and effectiveness of the system of internal control, together with recommendations for improvement. The Internal Auditors have, in conjunction with the University Solicitor, recently undertaken a series of risk management workshops for all Canterbury Christ Church University Faculties and Directorates to assist in promoting best practice and the embedding of risk management across Canterbury Christ Church University.

The Governing Body's review of the effectiveness of the system of internal control is also informed by the work of the executive managers within Canterbury Christ Church University, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the External Auditors in their management letter. The HEFCE also provide an annual assessment which again confirmed in March 2010 that the Institution was not currently at higher risk.

# INDEPENDENT AUDITORS' REPORT TO THE GOVERNING BODY

## Independent auditors' report to the governing body of Canterbury Christ Church University

We have audited the financial statements' of Canterbury Christ Church University and its Group for the year ended 31 July 2010 which comprise the Consolidated Income and Expenditure Account, the Statement of Consolidated Total Recognised Gains and Losses, the Consolidated and Parent Institution Balance Sheets, the Consolidated Cash Flow Statement, and the related notes. These financial statements have been prepared under the historical cost convention

### Respective responsibilities of the governing body and auditors

The Governing Body's responsibilities for preparing the financial statements in accordance with the Accounts Direction issued by the Higher Education Funding Council for England, the Statement of Recommended Practice – Accounting for Further and Higher Education, applicable law and United Kingdom Accounting Standards are set out in the Statement of the Governing Body's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements, and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the governing body of the institution in accordance with the institution's Articles of Government and section 124B of the Education Reform Act 1988 and Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are prepared in accordance with the Companies Act 2006, the Statement of Recommended Practice - Accounting for Further and Higher Education, the Accounts Direction issued by the Higher Education Funding Council for England and United Kingdom Generally Accepted Accounting Practice.

We report to you whether, in our opinion, funds from funding bodies, grants and income for specific purposes and from other restricted funds administered by the institution, have been properly applied in all material respects for the purposes for which they were received, and whether income has been applied in all material respects in accordance with the institution's statutes and where appropriate with the financial memorandum with the Higher Education Funding Council for England (HEFCE) and with the funding agreement with the Training and Development Agency for Schools.

We also report to you whether in our opinion, the information given in the Vice Chancellor's Report is consistent with those financial statements. In addition we report to you if, in our opinion, the institution has not kept adequate accounting records, if the financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of directors' remuneration specified by law are not made.

We read the other information contained in the financial statements and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. This other information comprises only the Directors and Advisors, Responsibilities of the University's Governing Body and Corporate Governance statement.

We also review the Statement of Internal Control and comment if the Statement is inconsistent with our knowledge of the institution and group. We are not required to consider whether the Statement of Internal Control covers all risks and controls, or to form an opinion on the effectiveness of the institution's and group's corporate governance procedures or its risk and control procedures. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

## **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board and with the HEFCE Accountability and Audit Code of Practice contained in the Financial Memorandum 2008/19. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the governing body in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and institution's circumstances, consistently applied and adequately disclosed.

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

## **Opinion**

In our opinion:

- i. the financial statements give a true and fair view of the state of state of the group's and the institution's affairs at 31 July 2010, and of the institution's and group's income and expenditure, recognised gains and losses, and statement of cash flows for the year then ended;
- ii. the financial statements have been prepared in accordance with the Companies Act 2006, the Statement of Recommended Practice - Accounting for Further and Higher Education, the Accounts Direction issued by the Higher Education Funding Council for England, applicable law and United Kingdom Accounting Standards;
- iii. the information given in the Vice Chancellor's Report is consistent with the financial statements;
- iv. in all material respects, funds from the Higher Education Funding Council for England and the Training and Development Agency for Schools and grants and income for specific purposes and from other restricted funds administered by the institution have been properly applied in all material respects only for the purposes for which they were received; and
- v. in all material respects, income has been applied in accordance with the institution's statutes (or equivalent) and funds provided by HEFCE have been applied in accordance with the financial memorandum (2008/19) with the Higher Education Funding Council for England and any other terms and conditions attached to them and funds from the Training and Development Agency for Schools have been applied in accordance with the funding agreement with the Training and Development Agency for Schools.

Clive Everest  
**(Senior Statutory Auditor)**  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

**Date: 26 November 2010**

# STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

## 1. Basis of Preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2007 and in accordance with Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

The Governing Body is satisfied that Canterbury Christ Church University has sufficient facilities to continue operating at its current level and therefore the financial statements have been prepared in accordance with the historical cost convention and on a going concern basis.

## 2. Basis of Consolidation

The consolidated financial statements consolidate the financial statements of Canterbury Christ Church University and its subsidiary undertakings Salomons Centre Limited, Medco (CCCU) Limited and The St Gregory's Foundation Canterbury, for the financial year to 31 July 2010. The accounting policies adopted by Canterbury Christ Church University have been consistently applied across the Group.

Intra-group sales and profits are eliminated fully on consolidation. The activities of the student union have not been consolidated because Canterbury Christ Church University does not control these activities.

During the year, Canterbury Christ Church University became principal governor of the Dover Christ Church Academy. Although Canterbury Christ Church University exercises a measure of control over the financial and operational policies of the Academy there is no economic benefit derived from the investment. Therefore Canterbury Christ Church University is not considered to have control as defined by Financial Reporting Standard 2. Consequently, the Academy's results are not consolidated into Canterbury Christ Church University's financial statements.

## 3. Recognition of Income

Funding council block grants are accounted for in the period to which they relate.

Fee income is stated gross and credited to the income and expenditure account over the period in which students are studying. This may involve the deferral of income over more than one financial year. Where the amount of the tuition fee is reduced, by a discount for prompt payment, income receivable is shown net of the discount. Bursaries are accounted for gross as expenditure and not deducted from income.

The recurrent income from grants, contracts and other services rendered are accounted for on an accruals basis and included to the extent of the completion of the contract or service concerned; any payments received in advance of such performance are recognised on the balance sheet as liabilities. Income relating to projects are accrued in relation to the amount of work completed.

Non-recurrent grants received in respect of the acquisition or construction of fixed assets are treated as deferred capital grants. Such grants are credited to deferred capital grants and an annual transfer made to the income and expenditure account over the useful economic life of the asset, at the same rate as the depreciation charge on the asset for which the grant was awarded.

Income from the sale of goods or services is credited to the income and expenditure account when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

Income from the Restricted Permanent Endowments is credited to Endowment and interest income in the income and expenditure account on a receivable basis.

#### **4. Agency Arrangements**

Funds the institution receives and disperses as paying agent on behalf of a funding body are excluded from the income and expenditure of Canterbury Christ Church University where Canterbury Christ Church University is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

#### **5. Foreign Currencies**

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date 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**

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

#### **7. Tangible Fixed Assets**

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Land is held in trust and not depreciated. Buildings are depreciated over their expected useful lives of 50 years. Assets in the course of construction are accounted for at cost incurred to the end of the year. They are not depreciated until they are brought into use.

Costs incurred in relation to a tangible fixed asset, after its initial purchase or production, are capitalised to the extent that they increase the expected future benefits to Canterbury Christ Church University from the existing tangible fixed asset beyond its previously assessed standard of performance; the cost of any such enhancements are added to the gross amount of the tangible fixed asset concerned.

Minor works of between £10,000 and £25,000 are separately identified and depreciated over ten years.

Fixtures, fittings and equipment, including computers and software, costing less than £3,000 per individual item are written off in the year of acquisition. All other equipment is capitalised and depreciated over 4 years.

Where buildings, minor works and equipment are acquired with the aid of specific grants the asset is capitalised and depreciated as above. The related grants are treated as deferred capital grants and released to income over the expected useful life of the asset.

Expenditure to ensure that a tangible fixed asset maintains its previously recognised standard of performance is recognised in the income and expenditure account in the period it is incurred. Canterbury Christ Church University has a planned maintenance programme, which is reviewed on an annual basis.

#### **8. Stocks**

Stocks are materials held by various Canterbury Christ Church University departments including catering, together with books and other items purchased for resale. Stocks are valued at the lower of cost or net realisable value on a first-in, first-out basis. Where necessary, provision is made for obsolete, slow-moving and defective stocks.

## **9. Projects**

Research and Other Income Generating projects are accounted for in line with SSAP 9 and its provisions for accounting for long term contracts. Turnover is recognised on the percentage completion method and any losses recognised with immediate effect.

## **10. Cash Flows**

Cash flows comprise of increases or decreases in cash. Cash includes cash in hand, cash at bank, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. No investments, however liquid, are included as cash.

## **11. Maintenance of Premises**

Canterbury Christ Church University has a long term rolling maintenance plan which forms the basis of the ongoing maintenance of the estate. The cost of routine corrective maintenance is charged to the income and expenditure account as incurred.

A provision for dilapidation is made where leased buildings require regular maintenance and where the lease requires the property to be returned to the landlord in a specified state. A provision is made for the estimated costs of the dilapidation spread over the period of tenancy.

## **12. Taxation Status**

Canterbury Christ Church University is a registered charity within the meaning of Part 2 within the Charities Act 1993 and as such is a charity within the meaning of section 506 (1) of the Income and Corporation Taxes Act 1988 (ICTA 1988). Accordingly, Canterbury Christ Church University is potentially exempt from taxation in respect of income or capital gains received within categories covered by Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

Canterbury Christ Church University receives no similar exemption in respect of Value Added Tax (VAT). Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to tangible fixed assets is included in their cost.

The St Gregory's Foundation Canterbury is a registered charity, and therefore is not liable for income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

Canterbury Christ Church University's subsidiary companies, Salomons Centre Limited and Medco (CCCU) Limited are subject to corporation tax and VAT in the same way as any commercial organisation.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is presented in the financial statements as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.



### **13. Pension Costs**

Canterbury Christ Church University contributes to the Local Government Superannuation Scheme (LGPS), the University Superannuation Scheme (USS) and the Teachers' Pension Scheme (TPS). All schemes are defined benefit schemes but the USS and TPS schemes are both multi-employer schemes and it is not possible to identify the assets of the scheme which are attributable to Canterbury Christ Church University on a consistent and reliable basis. In accordance with FRS17 "Retirement benefits" these schemes are accounted for on a defined contribution basis and the contributions to these schemes are included as expenditure in the period in which they are payable. Canterbury Christ Church University is able to identify its share of assets and liabilities of the LGPS and thus Canterbury Christ Church University fully adopts FRS17 "Retirement Benefits" for this scheme.

### **14. Investments**

Endowment asset investments are held as cash.

Where charitable donations are to be retained for the benefit of the institution as specified by the donors, these are accounted for as endowments. Canterbury Christ Church University has two main types:

- Restricted expendable endowments - the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the institution can convert the donated sum into income.
- Restricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

Current asset investments are held at the lower of cost and net realisable value.

### **15. Investment in subsidiaries**

Investment in subsidiary undertakings are shown at cost or impaired value, whichever is the lower. Canterbury Christ Church University carries out an annual impairment review of the investment in each subsidiary.

### **16. Grants**

Revenue-based grants from government, HEFCE, TDA and NHS trusts are passed through the income and expenditure account when the conditions relating to the grant have been satisfied (see 3 Recognition of income above).

Grants or other contributions from government and other bodies are accounted for on an accruals basis and recognised in the accounts when the conditions for their receipt have been complied with and there is reasonable assurance that the grant or contribution will be received.

Where Canterbury Christ Church University receives a grant to finance, or partly finance, the purchase, construction or development of an asset, and the asset is capitalised, the grant is credited to deferred capital grants and an annual transfer made to the income and expenditure account over the useful economic life of the asset at the same rate as the depreciation charge on the asset for which the grant was awarded (see 7 Tangible Fixed Assets above).

### **17. Income and Expenditure Account**

A separate Income and expenditure account is not provided for the company Canterbury Christ Church University, in line with s408 of the Companies Act 2006.

# Consolidated Income and Expenditure Account

For the year ended 31 July 2010

	<u>Note</u>	<u>2010</u>	<u>2009</u>
		£000	£000
<b>Income</b>			
Funding body grants	1	47,338	41,945
Tuition fees and education contracts	2	48,384	43,617
Research grants and contracts	3	1,495	1,463
Other income	4	16,165	16,021
Endowment and investment income	5	10	288
<b>Total income</b>		<b>113,392</b>	<b>103,334</b>
<b>Expenditure</b>			
Staff costs	6	61,516	56,524
Other operating expenses		38,521	34,955
Depreciation of tangible fixed assets	11	6,456	4,323
Interest and other finance costs	7	2,076	3,333
<b>Total Expenditure</b>	8	<b>108,569</b>	<b>99,135</b>
<b>Surplus after depreciation of tangible fixed assets at cost and before taxation</b>		<b>4,823</b>	<b>4,199</b>
Taxation – charge / (credit)	9	203	(73)
<b>Surplus after depreciation of tangible fixed assets at cost and taxation.</b>		<b>4,620</b>	<b>4,272</b>
<b>Exceptional item:</b>			
Net gain / (loss) on disposal of tangible fixed assets		66	(32)
<b>Surplus after depreciation of tangible fixed assets at cost, disposal of tangible fixed assets and taxation.</b>		<b>4,686</b>	<b>4,240</b>
<b>Deficit / (surplus) for the year transferred to/from accumulated income in endowment funds</b>	22	14	(2)
<b>Surplus for the year retained within general reserves</b>	10	<b>4,700</b>	<b>4,238</b>

There is no material difference between the surplus after depreciation of tangible fixed assets at cost and taxation stated above and the historical cost equivalents. The consolidated income and expenditure of the Group is in respect of continuing activities.

## Statement of Consolidated Total Recognised Gains and Losses

for the year ended 31 July 2010

	<u>Note</u>	<u>2010</u>	<u>2009</u>
		£000	£000
Surplus on continuing operations after depreciation of assets at cost, disposal of assets and taxation		4,700	4,238
New endowments	22	146	61
Net endowment (expenditure) / income retained in the year	22	(14)	2
Actuarial gain in respect of pension scheme - change in assumption to CPI	29	2,545	-
Actuarial gain / (loss) in respect of pension scheme - other	29	1,971	(9,448)
<b>Total recognised gains and losses since last annual report</b>		<b>9,348</b>	<b>(5,147)</b>
 <b>Reconciliation</b>			
<b>Opening reserves and endowments</b>		<b>20,760</b>	<b>25,907</b>
<b>Total recognised gains and losses for the year</b>		<b>9,348</b>	<b>(5,147)</b>
<b>Closing reserves and endowments</b>		<b>30,108</b>	<b>20,760</b>

## Balance Sheets

As at 31 July 2010

		<u>Consolidated</u>		<u>University</u>	
	<u>Note</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
		<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
<b>Fixed assets</b>					
Tangible assets	11	115,386	105,946	112,264	101,929
Investments	12	-	-	775	3,756
<b>Total fixed assets</b>		<u>115,386</u>	<u>105,946</u>	<u>113,039</u>	<u>105,685</u>
<b>Endowment assets</b>	22	<u>311</u>	<u>179</u>	<u>311</u>	<u>179</u>
<b>Current assets</b>					
Stocks	13	405	395	405	383
Debtors	14	10,285	8,427	9,487	11,045
Investments	15	210	209	-	-
Cash at bank and in hand	28	5,975	7,813	3,239	6,183
<b>Total current assets</b>		<u>16,875</u>	<u>16,844</u>	<u>13,131</u>	<u>17,611</u>
<b>Less creditors: amounts falling due within one year</b>	16	<u>(27,487)</u>	<u>(32,932)</u>	<u>(24,555)</u>	<u>(34,095)</u>
<b>Net current liabilities</b>		<u>(10,612)</u>	<u>(16,088)</u>	<u>(11,424)</u>	<u>(16,484)</u>
<b>Total assets less current liabilities</b>		<u>105,085</u>	<u>90,037</u>	<u>101,926</u>	<u>89,380</u>
<b>Less creditors: amounts falling due after more than one year</b>	17	<u>(41,501)</u>	<u>(36,947)</u>	<u>(41,501)</u>	<u>(36,947)</u>
<b>Less provisions for liabilities</b>	19	<u>(117)</u>	<u>(105)</u>	<u>-</u>	<u>-</u>
<b>Net Assets excluding pension liability</b>		<u>63,467</u>	<u>52,985</u>	<u>60,425</u>	<u>52,433</u>
<b>Net Pension liability</b>	29	<u>(14,765)</u>	<u>(18,435)</u>	<u>(14,765)</u>	<u>(18,435)</u>
<b>Net Assets including pension liability</b>		<u>48,702</u>	<u>34,550</u>	<u>45,660</u>	<u>33,998</u>

## Balance Sheets - Continued

As at 31 July 2010

	<u>Note</u>	<u>Consolidated</u>		<u>University</u>	
		<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
		<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
<b>Deferred capital grants</b>	21	<b>18,594</b>	13,790	<b>18,594</b>	13,790
<b>Endowments</b>					
Expendable	22	194	83	194	83
Permanent	22	117	96	117	96
<b>Total</b>		<b>311</b>	<b>179</b>	<b>311</b>	<b>179</b>
<b>Reserves</b>					
Income and expenditure account excluding pension reserve	23	44,562	39,016	41,520	38,464
Pension reserve	23	(14,765)	(18,435)	(14,765)	(18,435)
Income and expenditure account including pension reserve		29,797	20,581	26,755	20,029
<b>TOTAL FUNDS</b>		<b>48,702</b>	<b>34,550</b>	<b>45,660</b>	<b>33,998</b>

The financial statements on pages 19 to 57, were approved by the Governing Body on 29<sup>th</sup> March 2011 and signed on its behalf by:-

Professor R Baker

**Vice Chancellor**  
**Canterbury Christ Church University**  
Registered company number 04793659

Mr P Hermitage

**Pro-Chancellor (Chairman of the Governing Body)**

## Consolidated Cash Flow Statement

for the year ended 31 July 2010

	<u>Note</u>	<u>2010</u>	<u>2009</u>
		£000	£000
<b>Net Cash inflow from operating activities</b>	24	<b>3,344</b>	11,381
Returns on investments and servicing of finance	25	(1,384)	(2,599)
Capital expenditure and financial investment	26	(8,565)	(31,769)
Management of liquid resources	15	1	8
Financing	27	4,767	12,722
<b>Decrease in cash in the year</b>		<b>(1,837)</b>	<b>(10,257)</b>
 <b>Reconciliation of net cash flow to movement in net debt</b>			
Decrease in cash in the year	28	(1,837)	(10,257)
Cash inflow from new secured loan	27	(5,250)	(17,000)
Repayment of debt finance		483	4,278
Increase in interest repayable on unsecured loan		(11)	(10)
Change in net debt in year		(6,615)	(22,989)
Net debt at 1 August		(29,408)	(6,419)
<b>Net debt at 31 July</b>		<b>(36,023)</b>	<b>(29,408)</b>

## Notes to the Financial Statements

### 1. FUNDING BODY GRANTS

	<u>Note</u>	<u>2010</u>	<u>2009</u>
		£000	£000
<b>Recurrent grants</b>			
HEFCE		25,621	23,925
TDA		10,996	10,139
<b>Total recurrent grants</b>		36,617	34,064
<b>Specific grants</b>			
HEFCE		2,733	2,488
TDA		6,357	4,799
<b>Total specific grants</b>		9,090	7,287
<b>Deferred capital grants released in the year</b>			
Buildings	21	150	79
Equipment	21	1,481	515
<b>Total deferred capital grants</b>		1,631	594
<b>Total</b>		47,338	41,945

### 2. TUITION FEES AND EDUCATION CONTRACTS

		<u>2010</u>	<u>2009</u>
		£000	£000
Full time Students Home and European Union		21,474	18,920
Full time Students Overseas		2,899	2,318
Part time Students		4,205	3,141
<b>Total fees paid by or on behalf of individual students</b>		28,578	24,379
Education contracts		19,806	19,238
<b>Total</b>		48,384	43,617

## Notes to the Financial Statements

### 3. RESEARCH GRANTS AND CONTRACTS

	<u>Note</u>	<u>2010</u>	<u>2009</u>
		<u>£000</u>	<u>£000</u>
Research councils		6	83
UK based charities		231	281
European Commission		72	49
Other grants and contracts		1,186	1,050
<b>Total</b>		<b>1,495</b>	<b>1,463</b>

### 4. OTHER INCOME

		<u>2010</u>	<u>Restated</u> <u>2009</u>
		<u>£000</u>	<u>£000</u>
Residences, catering and conferences		8,402	8,435
Other income generating activities		7,348	7,149
Other grant income	21	163	155
Other income		252	282
<b>Total</b>		<b>16,165</b>	<b>16,021</b>

Other income generating activities above includes consultancy fees and consultancy contracts, Kent MAN Limited operations, Social work, Community and Mental Health Department and the University Centre Folkestone activities.

The 2009 values have been restated due to the reclassification of consultancy income from 'Other income' to 'Other income generating activities' £1,443k. The 'Residences, catering & conferences' income have been reduced and the funds reallocated to 'Other income generating activities' £756k, being the reallocation of intercompany trading activities.

### 5. ENDOWMENT AND INVESTMENT INCOME

		<u>2010</u>	<u>2009</u>
		<u>£000</u>	<u>£000</u>
Bank interest receivable		10	259
Endowment income		-	29
<b>Total</b>		<b>10</b>	<b>288</b>



## Notes to the Financial Statements

### 6. STAFF

The average monthly number of persons (including senior post holders) employed by Canterbury Christ Church University during the year, expressed as full time equivalents, was:

	<u>2010</u>	<u>2009</u>
	<b>Number</b>	<b>Number</b>
Teaching departments	541	519
Teaching support services	225	199
Administration and central services	632	580
Premises	39	33
<b>Total</b>	<b>1,437</b>	<b>1,331</b>

	<u>Note</u>	<u>2010</u>	<u>2009</u>
		<b>£000</b>	<b>£000</b>
<b>Staff Costs for the above persons</b>		<b>£000</b>	<b>£000</b>
Wages and salaries		51,595	47,653
Social security costs		3,842	3,614
Other pension costs	29	6,079	5,257
<b>Total</b>		<b>61,516</b>	<b>56,524</b>

### Directors' Emoluments

The emoluments paid to the four members of the Governing Body (2010: four), three (2009: three) of which are accruing benefits under a defined benefits pension scheme and who are also Directors for the purposes of Company Law are as follows:

Aggregate emoluments paid in respect of services as members of staff:

	<u>2010</u>	<u>2009</u>
	<b>£000</b>	<b>£000</b>
Salaries	346	337
Benefits in Kind	2	1
<b>Total</b>	<b>348</b>	<b>338</b>

## Notes to the Financial Statements

### 6. STAFF continued

	<u>2010</u>	<u>2009</u>
	£000	£000
<b>Emoluments of the Vice Chancellor who is also the highest paid Director</b>		
Emoluments of the Vice Chancellor	202	192
Employer's pension contributions	28	27
<b>Total emoluments of the Vice Chancellor</b>	<b>230</b>	<b>219</b>

The emoluments of the Vice Chancellor are shown on the same basis as for higher paid staff. Canterbury Christ Church University's pension contribution to the Teachers Pension Scheme for the Vice Chancellor is paid at the same rate as for other academic staff.

The number of other Higher Paid Staff, excluding the Vice Chancellor, who received emoluments in the following ranges was:

	<u>2010</u>	<u>2009</u>
	Number	Number
£100,000 to £109,999	3	5
£110,000 to £119,999	2	1
£120,000 to £129,999	2	1

## Notes to the Financial Statements

### 7. INTEREST AND OTHER FINANCE COSTS

	<u>Note</u>	<u>2010</u>	<u>2009</u>
		<u>£000</u>	<u>£000</u>
Bank loans not wholly repayable within five years		1,150	1,171
Loan repayment		-	1,665
Net charge on pension scheme	29	926	497
<b>Total</b>		<b>2,076</b>	<b>3,333</b>

### 8. ANALYSIS OF TOTAL EXPENDITURE BY ACTIVITY

	<u>2010</u>	<u>2009</u>
	<u>£000</u>	<u>£000</u>
Academic departments	50,391	46,668
Academic services departments	7,316	7,284
Administration and central services	16,567	15,258
Premises (non residential and catering operations)	9,064	7,330
Residences and catering operations	8,518	8,966
Research grants and contracts	1,269	1,337
Other expenditure	6,912	4,636
Depreciation	6,456	4,323
Interest and other finance costs	2,076	3,333
<b>Total</b>	<b>108,569</b>	<b>99,135</b>

Other operating expenses include:

Fees payable to company auditor for the audit of parent company and consolidated accounts		38	42
Fees payable to the company's auditor and its associates for other services;			
The audit of the company's subsidiaries pursuant to legislation		26	28
Tax services		5	-
Other		5	11
Operating leases rentals -	land and buildings	4,017	4,054
	plant and machinery	6	6

## Notes to the Financial Statements

### 9. TAXATION

(a) Analysis of charges in the year	<u>Note</u>	<u>2010</u> £000	<u>2009</u> £000
<b>Current tax</b>			
UK Corporation tax on profits for the year		-	-
Adjustment in respect of previous years		-	-
<b>Total current tax charge (note b)</b>		-	-
<b>Deferred tax</b>			
Current year origination and reversal of timing differences		-	(83)
Derecognition of previously provided deferred tax asset		203	10
<b>Total deferred tax charge / (credit)</b>	20	203	(73)
<b>Tax charge / (credit) on surplus on ordinary activities</b>		203	(73)

#### (b) Factors affecting tax charge for the year

The tax charge for the year is lower (2009 lower) than the standard rate of corporation tax in the UK 28% (2009 28%).

The differences are explained below:

	<u>2010</u> £000	<u>2009</u> £000
Surplus on ordinary activities before taxation	4,903	4,165
Surplus on ordinary activities multiplied by the standard rate of corporation tax	1,373	1,166
Effects of:		
Income not subject to corporation tax	(1,450)	(1,175)
Expenses not deductible for tax purposes	62	65
Depreciation in excess of capital allowance	11	(51)
Short term timing differences	4	(5)
<b>Current tax charge for the year (note a)</b>	-	-

A number of changes to the UK Corporation tax system were announced in the June 2010 Budget Statement. The Finance (No 2) Act 2010, which was substantively enacted on 20 July 2010, includes legislation reducing the main rate of corporation tax from 28 per cent to 27 per cent from 1 April 2011. Further reductions to the main rate are proposed to reduce the rate by 1 per cent per annum to 24 per cent by 1 April 2014. The enacted changes do not have an impact on the financial statements.

## Notes to the Financial Statements

### 10. SURPLUS ON CONTINUING OPERATIONS FOR THE YEAR

The surplus on continuing operations for the period is made up as follows:	<u>2010</u>	<u>2009</u>
	<u>£000</u>	<u>£000</u>
Canterbury Christ Church University's surplus for the year	5,126	4,220
(Loss) / profit generated by the subsidiary undertaking (Salomons Centre Limited)	(109)	40
(Deficit) / surplus generated by the subsidiary undertaking (The St Gregory's Foundation Canterbury)	(15)	10
Loss generated by the subsidiary undertaking (Medco (CCCU) Limited)	(368)	-
Net surplus / (deficit) on disposals of assets	66	(32)
<b>Total surplus</b>	<u><u>4,700</u></u>	<u><u>4,238</u></u>

## Notes to the Financial Statements

### 11. TANGIBLE ASSETS

	<u>Consolidated</u>			
	<u>Freehold Land &amp; Buildings</u>	<u>Assets under construction</u>	<u>Fixtures, Fittings and Equipment</u>	<u>Total</u>
<b>Cost</b>	£000	£000	£000	£000
At 1 August 2009	71,991	44,200	16,551	132,742
Additions	869	14,533	1,277	16,679
Assets coming into use	45,573	(50,700)	5,127	-
Disposals	(1,229)	-	(2,219)	(3,448)
<b>At 31 July 2010</b>	<b>117,204</b>	<b>8,033</b>	<b>20,736</b>	<b>145,973</b>
<b>Accumulated depreciation</b>				
At 1 August 2009	14,823	-	11,973	26,796
Charge for the year	2,971	-	3,485	6,456
Disposals	(662)	-	(2,003)	(2,665)
<b>At 31 July 2010</b>	<b>17,132</b>	<b>-</b>	<b>13,455</b>	<b>30,587</b>
<b>Net book value</b>				
<b>At 31 July 2010</b>	<b>100,072</b>	<b>8,033</b>	<b>7,281</b>	<b>115,386</b>
At 31 July 2009	57,168	44,200	4,578	105,946
Financed by capital grant (note 21)	13,989	-	4,605	18,594
Other	86,083	8,033	2,676	96,792
<b>Total</b>	<b>100,072</b>	<b>8,033</b>	<b>7,281</b>	<b>115,386</b>

## Notes to the Financial Statements

### 11. TANGIBLE ASSETS continued

	<u>University only</u>			
	<u>Freehold Land &amp; Buildings</u>	<u>Assets under construction</u>	<u>Fixtures, Fittings and Equipment</u>	<u>Total</u>
<b>Cost</b>	£000	£000	£000	£000
At 1 August 2009	67,178	44,200	13,557	124,935
Additions	357	14,533	855	15,745
Intergroup transfer (note 36)	369	-	211	580
Assets coming into use	45,573	(50,700)	5,127	-
Disposals	(339)	-	(685)	(1,024)
<b>At 31 July 2010</b>	<b>113,138</b>	<b>8,033</b>	<b>19,065</b>	<b>140,236</b>
<b>Accumulated depreciation</b>				
At 1 August 2009	13,479	-	9,527	23,006
Charge for the year	2,529	-	3,260	5,789
Disposals	(141)	-	(682)	(823)
<b>At 31 July 2010</b>	<b>15,867</b>	<b>-</b>	<b>12,105</b>	<b>27,972</b>
<b>Net book value</b>				
<b>At 31 July 2010</b>	<b>97,271</b>	<b>8,033</b>	<b>6,960</b>	<b>112,264</b>
At 31 July 2009	53,699	44,200	4,030	101,929
Financed by capital grant (note 21)	13,989	-	4,605	18,594
Other	83,282	8,033	2,355	93,670
<b>Total</b>	<b>97,271</b>	<b>8,033</b>	<b>6,960</b>	<b>112,264</b>

## Notes to the Financial Statements

### 12. FIXED ASSET INVESTMENTS

	<u>University only</u>		
	<u>Shares/ Capital Contribution</u>	<u>Loans</u>	<u>Total</u>
	£000	£000	£000
<b>Cost</b>			
At 1 August 2009	4,910	-	4,910
Salomons Centre Limited loan to Canterbury Christ Church University	-	325	325
<b>At 31 July 2010</b>	<b>4,910</b>	<b>325</b>	<b>5,235</b>
<b>Impairment</b>			
At 1 August 2009	(1,154)	-	(1,154)
Impairment during the year	(3,306)	-	(3,306)
<b>At 31 July 2010</b>	<b>(4,460)</b>	-	<b>(4,460)</b>
<b>Net book value</b>			
<b>At 31 July 2010</b>	<b>450</b>	<b>325</b>	<b>775</b>
At 31 July 2009	<b>3,756</b>	-	<b>3,756</b>

Canterbury Christ Church University owns 100% of the one hundred £1 ordinary shares in Salomons Centre Limited. The company is registered in England and operates in the United Kingdom. Canterbury Christ Church University's capital contribution to Salomons Centre Limited totalled £410,000 (2009: £410,000). On the 31 July 2010, the company Salomons Centre Limited transferred its activities (comprising Conference and Events and Estates) and net assets to Canterbury Christ Church University. This resulted in an impairment of the investment of £85,000 and a provision of a loan owed to Canterbury Christ Church University of £325,000. As of the 1 August 2010 the company Salomons Centre Limited became dormant.

Medco (CCCU) Limited has a share capital of 10,000,000 £1 ordinary shares of which 4,500,002 have been issued, all owned by Canterbury Christ Church University. £4,500,000 of the £1 ordinary shares were converted from issued and paid up redeemable preference shares at an Extraordinary General Meeting on the 7 November 2006. At an Extraordinary General Meeting held on 26 October 2009, Canterbury Christ Church University agreed to a voluntary reduction in its share capital from £4,500,002 to £449,999. The effect of this was to transfer £4,050,000 from investments to the income and expenditure reserve in the financial year 2010. This resulted in an impairment of £2,896,000.

There is a post balance sheet event at 1 August 2010. The education and training activities of Medco (CCCU) Limited will transfer to Canterbury Christ Church University. The costs and income related to property leases will remain in the books of Medco (CCCU) Limited until the assignment of those leases to Canterbury Christ Church University has been completed.

The Directors and Governing Body believe that the carrying value of the investments is supported by their underlying net assets.



## Notes to the Financial Statements

### 13. STOCKS

	<u>Consolidated</u>		<u>University only</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	£000	£000	£000	£000
Finished goods	405	395	405	383
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

### 14. DEBTORS

	<u>Consolidated</u>		<u>University only</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	£000	£000	£000	£000
Trade debtors	5,729	4,823	2,306	4,569
Amounts owed by subsidiary undertakings	-	-	-	400
Intercompany debtors	-	-	2,745	2,942
Prepayments and accrued income	4,556	3,401	4,436	3,134
Deferred tax asset	-	203	-	-
<b>Total</b>	<u>10,285</u>	<u>8,427</u>	<u>9,487</u>	<u>11,045</u>

Intercompany debtors are unsecured, interest free and repayable 30 days from the date of invoice. Intercompany loans are unsecured but set at arm's length with interest and dates for repayment separately identified.

### 15. INVESTMENTS

	<u>Consolidated</u>		<u>University only</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	£000	£000	£000	£000
Deposits maturing between 1 and 2 years	210	209	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

## Notes to the Financial Statements

### 16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>Consolidated</u>		<u>University only</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	£000	£000	£000	£000
Bank loans	707	483	707	483
Creditors	6,616	6,159	6,605	6,004
Amounts owed to subsidiary undertakings	-	-	325	4,000
Taxation and social security	2,674	1,934	2,202	1,920
Accruals and deferred income	17,490	24,356	14,716	21,688
<b>Total</b>	<u><u>27,487</u></u>	<u><u>32,932</u></u>	<u><u>24,555</u></u>	<u><u>34,095</u></u>

Amounts owed to subsidiary undertakings are unsecured, interest free and repayable 30 days from the date of invoice. Intercompany loans are unsecured but set at arms length with interest and dates for repayment separately identified.

The bank loans relate to the capital repayments for the campus and student accommodation in Broadstairs. Loan details are shown in note 17.

## Notes to the Financial Statements

### 17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<u>Consolidated and University</u>	
	<u>2010</u>	<u>2009</u>
	<u>£000</u>	<u>£000</u>
Unsecured loan	-	210
Secured Loans	41,501	36,737
<b>Total</b>	<u>41,501</u>	<u>36,947</u>

On 17 February 2000, Canterbury Christ Church University agreed to borrow £4.25m from Lloyds TSB Plc to develop the Broadstairs Campus. This was repayable over 25 years at Lloyds TSB Bank Rate + 0.65% for the first 5 years and secured by a first legal charge over the Broadstairs Campus land and The Priory. The rate was amended in May 2008 to Lloyds TSB Bank Rate + 0.25%.

On 22 April 2003, Canterbury Christ Church University agreed to borrow £2.85m from Lloyds TSB PLC to be used towards the building of student accommodation in Broadstairs. The loan is repayable over 30 years at Lloyds TSB Base Rate + 0.45% and secured by a first legal charge on the student accommodation building. The rate was amended in May 2008 to Lloyds TSB Bank Rate + 0.25%.

In July 2004, Canterbury Christ Church University agreed to borrow £10.1m from Lloyds TSB PLC to be used towards the development at Medway and Canterbury. The first draw down of the loan took place on 28 July 2004 and totalled £0.5m. Further drawdowns totalling £6.25m took place during the year to July 2005. The loan was repayable over 30 years at Lloyds TSB Base Rate + 0.45%.

On 20 October 2004, the most recent loan facility from Lloyds TSB PLC was amended to £16.1m to cover works on Augustine House, and a further drawdown of £2m took place on 26 May 2006. The loan was repayable over 30 years and was secured by a first legal charge over the Broadstairs Campus land.

The loan facility of £16.1m was converted to a loan facility of £36m in March 2008 with a first legal charge over the Broadstairs Campus land. A fixed loan of £5m was drawn down in July 2008 with an interest rate of 5.35% for a 5 year period. A variable £12m loan was drawn down in June 2009 at Lloyds TSB Base Rate +0.25%. A fixed loan of £5m was drawn down in July 2009 with an interest rate of 4.44% for a 5 year period. The final £5.25m was drawn down in August 2009 at Lloyds TSB Base Rate +0.25%.

## Notes to the Financial Statements

### 18. BORROWINGS

	<u>Consolidated</u>	
<b>Bank loans and overdrafts</b>	<u>2010</u>	<u>2009</u>
Bank loans and overdrafts are repayable as follows:	<b>£000</b>	<b>£000</b>
In one year or less	<b>707</b>	483
Between one and two years	<b>490</b>	697
Between two and five years	<b>1,618</b>	1,386
In five years or more	<b>39,393</b>	34,864
<b>Total</b>	<b><u>42,208</u></b>	<b><u>37,430</u></b>

### 19. PROVISIONS FOR LIABILITIES

	<u>Consolidated</u>	
	<u>2010</u>	
	<b>£000</b>	
Dilapidation provision at start of year	<b>105</b>	
Charges for the year	<b>15</b>	
Utilised in the year	<b>(3)</b>	
<b>Dilapidation provision at end of year</b>	<b><u>117</u></b>	

The Group has provided for potential future dilapidation costs of their leased property at the Medway campus based on latest management estimates. The provision is based on assumed internal refurbishment every 3 years and external refurbishments every 5 years.

## Notes to the Financial Statements

### 20. DEFERRED TAX ASSET

	<u>2010</u>	<u>2009</u>
	<b>£000</b>	<b>£000</b>
Depreciation in excess of accelerated capital allowances	-	171
Unutilised losses and other short term timing differences	-	32
Undiscounted asset for deferred tax	-	<b>203</b>
Deferred tax asset at start of year	<b>203</b>	
Deferred tax credit to income and expenditure account (note 9)	<b>(203)</b>	
<b>Deferred tax asset at end of year</b>	-	

Amounts unprovided for deferred tax assets are as follows:

	<u>2010</u>	<u>2009</u>
	<b>£000</b>	<b>£000</b>
Depreciation in excess of accelerated capital allowances	<b>105</b>	-
Short term timing differences	<b>33</b>	-
<b>Total</b>	<b>138</b>	-

Due to the uncertainty of creating sufficient taxable profits in future years to utilise the economic benefit of these losses, the Group has not recognised the full potential deferred taxation asset in these financial statements and has only recognised the proportion that is considered to be recoverable.

## Notes to the Financial Statements

### 21. DEFERRED CAPITAL GRANTS

	<u>Consolidated and University</u>		
	<u>Funding Council Grants</u>	<u>Other Grants</u>	<u>Total</u>
	£000	£000	£000
<b>At 1 August 2009</b>			
Buildings	7,372	5,238	12,610
Equipment	950	230	1,180
<b>Total</b>	8,322	5,468	13,790
<b>Receivable in year</b>			
Buildings	1,671	-	1,671
Equipment	5,106	(179)	4,927
<b>Total</b>	6,777	(179)	6,598
<b>Released in year</b>			
Buildings	150	142	292
Equipment	1,481	21	1,502
<b>Total</b>	1,631	163	1,794
<b>At 31 July 2010</b>			
Buildings	8,893	5,096	13,989
Equipment	4,575	30	4,605
<b>Total</b>	13,468	5,126	18,594

## Notes to the Financial Statements

### 22. ENDOWMENTS

	<u>Consolidated and University</u>			
	<u>Restricted expendable</u>	<u>Restricted permanent</u>	<u>2010 Total</u>	<u>2009 Total</u>
	£000	£000	£000	£000
<b>Opening balance at 1 August</b>				
Capital	59	86	145	84
Accumulated income	24	10	34	32
	83	96	179	116
<b>Movement for the year to date</b>				
New Endowments	122	24	146	61
Interest income	-	-	-	29
Expenditure	(11)	(3)	(14)	(27)
	111	21	132	63
<b>Closing balance at 31 July 2010</b>	194	117	311	179
Represented by:				
Capital	5	109	114	145
Accumulated income	189	8	197	34
	194	117	311	179

The above amounts are represented by cash balances.

	<u>Expendable</u>	<u>Permanent</u>	<u>2010 Total</u>	<u>2009 Total</u>
	£000	£000	£000	£000
<b>Representing:</b>				
Specific donations	164	-	164	50
Scholarships / bursaries	22	60	82	81
Prize funds	8	57	65	48
	194	117	311	179

## Notes to the Financial Statements

### 23. RESERVES

#### Income and Expenditure Reserve - Consolidated

	<u>Note</u>	<u>2010</u>	<u>2009</u>
		£000	£000
Balance at 1 August		39,016	34,698
Surplus retained for the year		4,700	4,238
Add back pension (surplus) / deficit		846	80
<b>At 31 July</b>		<b>44,562</b>	<b>39,016</b>

#### Income and Expenditure Reserve - University

		<u>2010</u>	<u>2009</u>
		£000	£000
Balance at 1 August		38,464	33,817
Surplus retained for the year		2,210	4,567
Add back pension (surplus) / deficit		846	80
<b>At 31 July</b>		<b>41,520</b>	<b>38,464</b>

At the Extraordinary General meeting held on 26th October 2009, Canterbury Christ Church University agreed to a voluntary reduction in its share capital from £4,500,002 to £449,999. The effect of this was to transfer £4,050,003 from share capital in the company into its profit and loss reserve in the financial year 2009/10.

#### Pension Reserve - Consolidated and University

		<u>2010</u>	<u>2009</u>
		£000	£000
Balance at 1 August	29	(18,435)	(8,907)
Actuarial gain in respect of pension scheme - change in assumption to CPI	29	2,545	-
Actuarial gain / (loss) in respect of pension scheme - other	29	1,971	(9,448)
Deficit retained within reserves		(846)	(80)
<b>At 31 July</b>	29	<b>(14,765)</b>	<b>(18,435)</b>



## Notes to the Financial Statements

### 24. RECONCILIATION OF CONSOLIDATED OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	<u>Note</u>	<u>2010</u>	<u>2009</u>
		£000	£000
Surplus for the year after depreciation and before tax and endowment transfer		4,889	4,165
FRS17 "Retirement benefits" greater than contributions		(80)	(417)
Depreciation	11	6,456	4,323
Deferred capital grants released to income	21	(1,794)	(749)
(Gain) / loss on sale of tangible fixed assets		(66)	32
Interest payable and similar charges	7	2,076	3,333
Interest receivable and similar income	5	(10)	(288)
(Increase) / decrease in stocks		(10)	57
Increase in debtors		(2,061)	(2,357)
(Decrease) / increase in short term creditors		(6,068)	3,278
Increase in provision for dilapidations		12	4
<b>Net cash inflow from operating activities</b>		<u>3,344</u>	<u>11,381</u>

### 25. RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	<u>2010</u>	<u>2009</u>
	£000	£000
Other interest received	9	279
Interest paid	(1,393)	(2,878)
<b>Net cash outflow from returns on investments and servicing of finance</b>	<u>(1,384)</u>	<u>(2,599)</u>

### 26. CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	<u>2010</u>	<u>2009</u>
	£000	£000
Purchase of tangible fixed assets	(12,886)	(35,397)
Sale of tangible fixed assets	269	-
Endowments increase	146	61
Payments to acquire endowment assets	22	(59)
Deferred capital grants received	4,038	3,626
<b>Net cash outflow from capital expenditure and financial investment</b>	<u>(8,565)</u>	<u>(31,769)</u>

## Notes to the Financial Statements

### 27. FINANCING

	<u>2010</u>	<u>2009</u>
	<u>£000</u>	<u>£000</u>
Debt due beyond a year:		
New secured loan repayable by 2034	5,250	17,000
Repayments of amounts borrowed	(483)	(4,278)
<b>Net cash inflow from financing</b>	<b>4,767</b>	<b>12,722</b>

### 28. ANALYSIS OF CHANGES IN NET DEBT

	<u>At</u> <u>1 August</u> <u>2009</u>	<u>Cash</u> <u>Flow</u>	<u>At</u> <u>31 July</u> <u>2010</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>
Cash at bank and in hand	7,813	(1,838)	5,975
Short term deposits	209	1	210
	8,022	(1,837)	6,185
Debts due in less than one year	(483)	(224)	(707)
Debt due after one year	(36,947)	(4,554)	(41,501)
<b>Total</b>	<b>(29,408)</b>	<b>(6,615)</b>	<b>(36,023)</b>

## Notes to the Financial Statements

### 29. PENSION SCHEMES

The three principal pension schemes for Canterbury Christ Church University's staff are the Teachers' Pension Scheme (TPS), the Local Government Pension Scheme (LGPS) and the Universities Superannuation Scheme (USS). The schemes are defined benefit schemes which are contracted out of the State Earnings Related Pension Scheme.

The total pension contributions for Canterbury Christ Church University was:

	<u>2010</u>	<u>2009</u>
	<u>£000</u>	<u>£000</u>
Contributions to TPS	3,432	3,278
Contributions to LGPS	2,469	2,276
Contributions to USS	152	97
<b>Total pension contributions</b>	<b>6,053</b>	<b>5,651</b>
Percentage employers contribution to TPS as at year end	14.1%	14.0%
Percentage employers contribution to LGPS as at year end	17.6%	17.6%
Percentage employers contribution to USS as at year end	16.0%	14.0%

The assumptions and other data relevant to the determination of the contribution levels of the schemes are as follows:

	<u>TPS</u>	<u>LGPS</u>	<u>USS</u>
	31/3/04	31/3/07	31/3/08
Latest actuarial valuations	31/3/04	31/3/07	31/3/08
Actuarial method	Prospective benefits	Projected unit	Projected unit
Investment returns per annum	6.5%	4.5%	6.4%
Salary scale increases per annum	4.5%	4.7%	4.3%
Pension increases per annum	3.5%	3.2%	3.3%
Market value of assets at date of last valuation	-	£2,580m	£28,843m
Nominal market value of assets at date of last valuation	£162,650m	-	-
Proportion of members accrued benefits covered by the actuarial value of the assets	99%	73%	77%

## Notes to the Financial Statements

### 29. PENSION SCHEMES continued

The most recent available valuation with regards to the LGPS is as at 31 March 2007. This valuation indicated that the scheme has a deficit of 27%.

The most recent available valuation for the TPS is as at 31 March 2004. The latest USS valuation at 31 March 2008 indicated that the scheme had a deficit of 23%. Any surplus or deficit on either scheme will be compensated for by altering the rate of contributions.

The best estimate of contributions to be paid to the schemes for the year beginning 1 September 2010 is £9,044k.

#### Teachers' Pensions Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 1997, as amended. These regulations apply to teachers in schools and other educational establishments in England and Wales maintained by local authorities, to teachers in many independent and voluntary-aided schools, and to teachers and lecturers in establishments of further and higher education. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Not less than every four years the Government Actuary (GA), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions.

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate (SCR) is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

## Notes to the Financial Statements

### 29. PENSION SCHEMES continued

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500m. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240m. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR has been assessed at 19.75%, and the supplementary contribution rate has been assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years); a total contribution rate of 20.5%. This translates into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement has also introduced – effective for the first time for the 2008 valuation – a 14% cap on employer contributions payable.

Because of the mutual nature of the scheme, Canterbury Christ Church University is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS17 "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.

#### Universities Superannuation Scheme

USS is valued every three years by professionally qualified independent actuaries using the projected unit method, the rates of contribution payable being determined by the trustees on the advice of the actuaries. In the intervening years, the USS actuary reviews the progress of the USS scheme.

The contribution rate payable by Canterbury Christ Church University to USS is 16% of pensionable salaries. The actuary to USS has confirmed that it is appropriate to take the pension costs in Canterbury Christ Church University's accounts to be equal to the actual contributions paid during the year. In particular, the current contribution rate has regard to the surplus disclosed, the benefit improvements introduced subsequent to the valuation and the need to spread surplus in a prudent manner over the future working lifetime of current scheme members.

Because of the mutual nature of the scheme, Canterbury Christ Church University is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS17 "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.

#### Local Government Pension Scheme

The LGPS is a funded scheme and is valued every three years by actuaries using the projected unit method, the rates of contribution payable being determined by the members of Kent County Council Superannuation Fund on the advice of the actuaries. In the intervening years, the LGPS actuary reviews the progress of the LGPS scheme.

## Notes to the Financial Statements

### 29. PENSION SCHEMES continued

For LGPS, the actuary has indicated that the resources of the scheme are likely, in the normal course of events, to meet the liabilities as they fall due at the level specified by the LGPS Regulations. The contribution payable by the employer was increased to 17.6% of pensionable salaries from April 2008.

Under the definitions set out in FRS17 "Retirement benefits", the LGPS is a multi-employer defined benefit pension scheme. In the case of the LGPS, the actuary of the scheme has identified Canterbury Christ Church University's share of its assets and liabilities as at 31 July 2010.

The pension scheme assets are held in a separate Trustee-administered fund to meet long-term pension liabilities to past and present employees. The trustees of the fund are required to act in the best interests of the funds' beneficiaries. The appointment of the trustees of the fund is determined by the scheme's trust documentation. The trustees are responsible for setting the investment strategy for the Scheme after consultation with professional advisors.

The Government has announced that it plans to increase future pensions in line with the Consumer Price Index (CPI) rather than the Retail Price Index (RPI). This change will affect all pension benefits earned to date (and future benefits) so it has been accounted for as a 'actuarial gain' of £2,545k in the income and expenditure account in line with the assumption that the CPI will increase at the slower rate than the RPI.

The material assumptions used by the actuary for FRS17 "Retirement benefits" at 31 July 2010 were:

	<u>2010</u>	<u>2009</u>	<u>2008</u>
	<u>% pa</u>	<u>% pa</u>	<u>% pa</u>
Inflation / Pension increase	2.7	3.7	3.8
Rate of increase in salaries	4.7	5.2	5.3
Discount rate for liabilities	5.4	6.0	6.7

Life expectancy is based on the PFA92 and PMA92 tables, projected to the calendar year 2033 for non pensioners and 2017 for pensioners. Based on these assumptions, the average life expectations on retirement at age 65 are:

	Males	Females
Current Pensioners	21.5 years	24.4 years
Future Pensioners	22.6 years	25.5 years

## Notes to the Financial Statements

### 29. PENSION SCHEMES continued

The assets in the scheme and the expected rate of return for Canterbury Christ Church University and the Group were:

	<u>Long term rate of return expected at 31 July 2010</u>	<u>Value at 31 July 2010</u>	<u>Long term rate of return expected at 31 July 2009</u>	<u>Value at 31 July 2009</u>	<u>Long term rate of return expected at 31 July 2008</u>	<u>Value at 31 July 2008</u>
	% per annum	£000	% per annum	£000	% per annum	£000
Equities	7.1	26,088	7.3	19,455	7.8	18,065
Gilts	4.3	362	-	-	-	-
Bonds	5.4	5,073	5.3	4,793	5.7	4,653
Property	5.1	2,899	5.3	2,256	5.7	2,737
Cash	3.0	1,812	4.3	1,692	4.8	1,916
<b>Total market value of assets</b>		<b>36,234</b>		<b>28,196</b>		<b>27,371</b>
Present value of scheme liabilities		(50,956)		(46,579)		(36,230)
Present value of unfunded liabilities		(43)		(52)		(48)
<b>Deficit in the scheme—Net pension liability</b>		<b>(14,765)</b>		<b>(18,435)</b>		<b>(8,907)</b>

The expected return on assets is based on the long term future expected investment return for each asset class as at the beginning of the year. The actuarial recommended expected returns are shown above.

The actual return on scheme assets in the year was £5,014k gain (2009: £1,750k loss).

The equity investments and bonds that are held in plan assets are quoted and valued at the current bid price following the adoption of the amendments to FRS17 "Retirement benefits". Previously, these were valued at mid price and prior years have not been restated as it is not considered material.

## Notes to the Financial Statements

### 29. PENSION SCHEMES continued

	<u>2010</u>	<u>2009</u>
<b>Reconciliation of Defined Benefit Obligation</b>	<b>£000</b>	<b>£000</b>
<b>Opening Defined Benefit Obligation</b>	<b>46,631</b>	<b>36,278</b>
Current Service Cost	2,492	1,876
Interest Cost	2,885	2,502
Contributions by Members	978	879
Actuarial gain - change in assumption to CPI	(2,545)	-
Actuarial Gain - other	1,084	5,693
Estimated Unfunded Benefits Paid	(5)	(4)
Estimated Benefits Paid (net of transfers in)	(521)	(593)
<b>Closing Defined Benefit Obligation</b>	<b>50,999</b>	<b>46,631</b>
<b>Reconciliation of Fair Value of Employer Assets</b>	<b>£000</b>	<b>£000</b>
<b>Opening Fair Value of Employer Assets</b>	<b>28,196</b>	<b>27,371</b>
Expected Return on Assets	1,959	2,005
Contributions by Members	978	879
Contributions by the Employer	2,572	2,293
Actuarial gain / (losses)	3,055	(3,755)
Estimated Benefits Paid including unfunded benefits	(526)	(597)
<b>Closing Fair Value of Employer Assets</b>	<b>36,234</b>	<b>28,196</b>

Scheme assets do not include any Canterbury Christ Church University owned financial instruments or any property occupied by Canterbury Christ Church University.



## Notes to the Financial Statements

### 29. PENSION SCHEMES continued

	<u>2010</u>	<u>2009</u>
<b>Recognition in the income and expenditure account</b>	<b>£000</b>	<b>£000</b>
Current Service Cost	2,492	1,876
Interest Cost	2,885	2,502
Expected Return on Employer Assets	(1,959)	(2,005)
<b>Total</b>	<b>3,418</b>	<b>2,373</b>

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Amounts for the current and previous accounting periods:</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Fair Value of Employer Assets	36,234	28,196	27,371	27,227	22,745
Present Value of Defined Benefit Obligation	(50,999)	(46,631)	(36,278)	(32,058)	(30,945)
Deficit	(14,765)	(18,435)	(8,907)	(4,831)	(8,200)
Experience (Losses) / Gains on Assets	3,055	(3,755)	(4,060)	580	1,625
Experience Gains / (Losses) on Liabilities	6	(2)	2,883	(2)	(2)
<b>Amount Recognised in Statement of Consolidated Total Recognised Gains and Losses (STRGL)</b>					
Actuarial Gains / (Losses) recognised in STRGL	1,971	(9,448)	(3,756)	3,673	288
Actuarial gain in respect of pension scheme - change in assumption to CPI	2,545	-	-	-	-
<b>Total</b>	<b>4,516</b>	<b>(9,448)</b>	<b>(3,756)</b>	<b>3,673</b>	<b>288</b>

The Cumulative Actuarial Gains and Losses are based on the full available history of Actuarial Gains and Losses for the employer.

## Notes to the Financial Statements

### 30. POST BALANCE SHEET EVENTS

With effect from 1<sup>st</sup> August 2010 the wholly owned subsidiary Medco (CCCU) Limited will transfer most of its assets to Canterbury Christ Church University. The costs and income related to property leases will remain within the books of Medco (CCCU) Limited until the assignment of those leases from Medco (CCCU) Limited to Canterbury Christ Church University has been completed. An estimate of the financial effect to Canterbury Christ Church University is a cost of approximately £1,200k, £nil for the Group, which will be covered by income received from the parent company as a licence to occupy.

With effect from 1 August 2010 the wholly owned subsidiary company Salomons Centre Limited became dormant. Its activities are continuing within Canterbury Christ Church University. The estimated financial effect will continue at a similar level to that included in the current years' profit and loss statement for the company of £102k.

### 31. CAPITAL COMMITMENTS

	<u>2010</u>	<u>2009</u>
	£000	£000
Commitments contracted at 31 July but not provided for	1,099	8,392
	1,099	8,392

### 32. FINANCIAL COMMITMENTS

At 31 July 2010, Canterbury Christ Church University had annual commitments under non-cancellable operating leases as follows:

	<u>Land and Buildings</u>		<u>Other</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	£000	£000	£000	£000
Expiring in less than two years	786	513	-	-
Expiring between two and five years	130	783	-	6
Expiring in over five years	3,071	2,901	-	-
<b>Total</b>	<b>3,987</b>	<b>4,197</b>	<b>-</b>	<b>6</b>

### 33. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 July 2010, or at the 31 July 2009.

## Notes to the Financial Statements

### 34. RELATED PARTY DISCLOSURES

Canterbury Christ Church University is one of five (2009: six) equal partners in Kent MAN Limited, a company formed on 1 April 2002 and limited by guarantee, maintaining telecommunications links between Higher Education Institutions and The County Council in Kent. During the 2009/10 financial year, Canterbury Christ Church University paid Kent MAN Limited £27,475 (2009: £12,469), and received £241,832 (2009: £208,309) in income. Included in Canterbury Christ Church University's creditor balance at 31 July 2010 was £335,122 (2009: £56,086) owed to Kent MAN Limited.

Canterbury Christ Church University received income from its subsidiary companies including gift aid receipts of £2,938k (2009: £2,362) and paid its subsidiaries £1,369k (2009: £922k) as part of the Group's normal trading activities.

Funding council grants are disclosed on the face of the income and expenditure account, the balance sheet (for deferred capital grants) and in the relevant notes to the financial statements.

### 35. STUDENT SUPPORT FUNDS

<b>Student Associates Scheme</b>	<u>2010</u>	<u>2009</u>
	<b>£000</b>	<b>£000</b>
Funding Council grants	169	174
Total funds utilised	(156)	(174)
<b>Balance unspent at 31 July</b>	<u>13</u>	<u>-</u>

Funding Council grants are available solely for students: Canterbury Christ Church University acts only as a paying agent. The grants and related disbursements are therefore excluded from the Income and Expenditure account. Access to Learning Fund grants are allocated for the period 1 September 2009 to 31 August 2010.

<b>Access To Learning Funds</b>	<u>2010</u>	<u>2009</u>
	<b>£000</b>	<b>£000</b>
Funding Council grants	410	471
Interest earned	-	4
	<u>410</u>	<u>475</u>
Balance brought forward from previous year	-	1
Administration fee	(12)	(13)
Disbursed to students	(390)	(463)
<b>Balance unspent at 31 July</b>	<u>8</u>	<u>-</u>

## Notes to the Financial Statements

### 36. ACQUISITIONS

#### Salomons Centre Limited

On the 31 July 2010, Canterbury Christ Church University acquired the trade and assets of its 100% owned subsidiary Salomons Centre Limited at book value. The consideration of £325,000 was made in exchange for a loan.

	<u>Note</u>	<u>Book Value</u> £000	<u>Provisional Fair Value</u> £000
Tangible fixed assets	11	580	580
Stock		15	15
Debtors		154	154
Creditors		(424)	(424)
Net assets acquired		<u>325</u>	<u>325</u>
<b>Consideration</b>		<u>325</u>	<u>325</u>

