



Edge Hill University

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Financial Statements
& Accounts 2008/09

Edge Hill University
St Helens Road
Ormskirk
Lancashire
L39 4QP

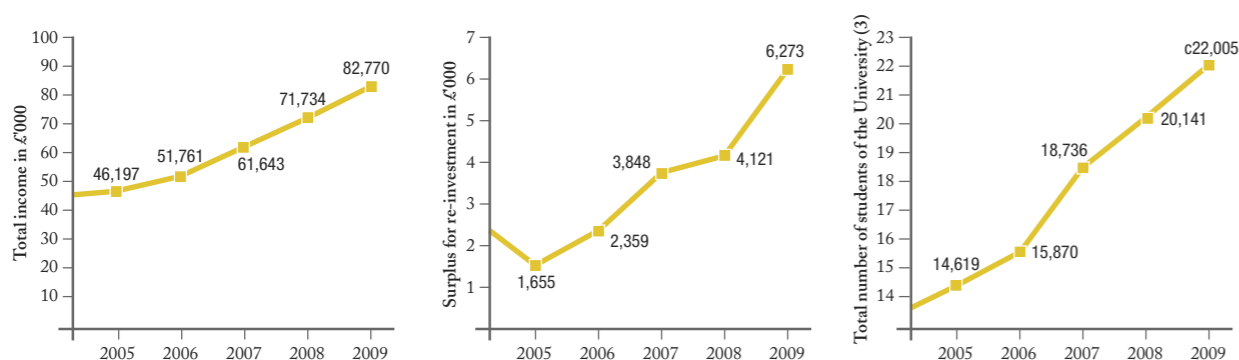
T 01695 585 171
edgehill.ac.uk



REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009

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Key Performance Indicators



Year ended 31 July	2009	2008	2007	2006	2005
Total income in £'000	82,770	71,734	61,643	51,761	46,197
Surplus for re-investment in £'000	6,273	4,121	3,848	2,359	1,655
Cash generated by activities in £'000	11,288	10,420	6,232	8,114	4,473
Cash for investment in £'000	20,486	14,086	14,461	12,929	11,720
Financial worth of the University in £'000 (1)	51,303	34,914	45,713	36,349	35,017
Applications for University FT UG programmes (2)	12,226	11,454	12,041	8,043	7,330
Total number of students of the University (3)	c22,005	20,141	18,736	15,870	14,619
Percentage of staff who rate the University as a good or excellent employer (4)	85%	82%	72%	N/A	80%
Employee turnover	10.00%	11.70%	10.23%	18.70%	10.72%
Levels of University staff absence	3.62%	3.24%	2.68%	2.70%	3.30%

NOTES

- 1) As re-stated following change in accounting policy for FRS 17
- 2) Based on UCAS statistics. The reduction in 2008 reflects the reduction in applications on the UCAS form from six to five during the year
- 3) Based on HESA Student Record
- 4) From the University's independently scrutinised Staff Survey

Report of the Board of Governors

I am very pleased to report that Edge Hill has had another successful year.

Although I will leave the Vice-Chancellor to provide details of the financial performance in his report I must emphasise the importance of Edge Hill generating annually a surplus (which last year was £6.273m) which enables the University to continue its capital building programme without the need to rely heavily upon external borrowings. Back in January the new Business School opened slightly ahead of schedule and, by the time this report is printed, 240 additional student residences will have been completed and in occupation. Planning permission has recently been obtained for a new building to accommodate facilities management and IT services which will considerably improve the operational efficiency of both of these important areas. Further student residences are being planned along with new accommodation for the Students' Union along with enhanced sport facilities.

Edge Hill has now severed its links with Lancaster University which for many years accredited its degrees. The final graduation ceremonies at Lancaster took place in July and the following week there were four graduation ceremonies in the University's own auditorium. These were presided over by Tanya Byron who was installed as Edge Hill's first Chancellor shortly before Christmas. Two months later Tanya delivered her inaugural professorial lecture and, on both occasions, Edge Hill was pleased to host a wide range of guests as was the case when the Reverend Jesse Jackson gave a thought provoking lecture last December.

It would be remiss of me at this time not to detail some significant student related achievements:

- In the 2009 National Student Survey Edge Hill was placed second in the North West region for Student Satisfaction with an overall satisfaction rating of 83%;
- Edge Hill topped the north west graduate employability tables with 95.3% in employment or further study within six months of graduation;
- Edge Hill also topped the north west ratings as a place to study (Virgin 2010 Guide to British Universities); and
- The Student Services accommodation team was named as one of the country's best in The Times Leadership and Management Awards 2009.

Despite these excellent achievements however, inconsistent Government policy on both recruitment and funding present constant challenges to the entire Higher Education sector; whilst Edge Hill has recruited the largest cohort of students in its history this autumn it is known that funding will reduce by at least 5% in both 2009/2010 and 2010/2011. This may impact upon the University's medium term development plans but with the diversity of Edge Hill's three faculties it is felt that it is better positioned than many other universities to weather the inevitable oncoming financial storm. Furthermore steady progress is being made with Edge Hill's international aspirations which will act as a counter to reduced UK funding.

After 19 years' sterling service Mark Flinn retired as Pro Vice-Chancellor (Academic) at the end of July. He played a vital role in Edge Hill acquiring Taught Degree Awarding Powers, attaining University status and, more recently, acquiring Research Degree Awarding Powers. The University will forever be in his debt for his achievements and on behalf of my fellow governors I wish him well for a long and contented retirement. Mark has been succeeded by Bill Bruce who joined Edge Hill from Hull at the beginning of August and already is marking a real contribution in the continued enhancement of the academic programme.

I also wish to thank my predecessor, David Tomkins, who served as Chair of the Governing Body for four years until he stepped down last November during which Edge Hill matured from a College of Higher Education to a University and for his earlier valuable contribution as chair of the Finance and Resources Committee for the previous four years.

Joe McNamara, who was Clerk to the governors for many years, and previously Assistant Director, also retired last November. He was a font of wise counsel and very much part of the Edge Hill fabric. He has been succeeded as Clerk by Lesley Munro who is also the University Secretary.

Lastly I must thank the Vice-Chancellor and the entire work force for everything that they have done in helping to make last year so successful. Next January Edge Hill will be celebrating the 125th anniversary of its opening as the country's first non denominational teaching college in the Edge Hill district in Liverpool. There are still many things to do but I and all the governors have every confidence that under the Vice-Chancellor's stewardship Edge Hill University will continue to prosper. We look forward with confidence to the next 125 years.

OFFICERS OF THE UNIVERSITY

UNIVERSITY CHANCELLOR

Professor T Byron Appointed 5 December 2008

PRO-CHANCELLORS

Mr M Pinfold Appointed 10 November 2008
Mr C Trinnick

VICE-CHANCELLOR

Dr J Cater

PRO VICE-CHANCELLORS

Professor JW Bruce Appointed 1 August 2009
Mr M Flinn Resigned 31 July 2009
Mr SJ Igoe
Dr D Law

UNIVERSITY SECRETARY

Ms L Munro

GOVERNORS

Those persons who were Governors of the University during the year and up to the date of the signing of the financial statements were as follows:

INDEPENDENT MEMBERS:

Mrs M Cheesbrough	(4)	Appointed 14 September 2009
Mr I Duckett	(2) (3) (4)	Appointed Vice Chairman 14 September 2009
Mr D Ensor	(5)	
Mr A Foster	(4)	
Mr R Green	(5)	Appointed 23 March 2009
Lady M Holroyde	(1) (3)	
Mr M Jones	(2) (5)	
Mr B Laverty	(1)	
Mr J Maxwell	(4)	Appointed 14 September 2009
Dr B McGucken	(1)	
Mrs A O'Dwyer	(4)	
Mr D Owen	(1)	Appointed 14 September 2009
Mr M Pinfold	(1) (2) (3)	Vice Chairman to 10 November 2008
	(2) (3) (4) (5)	Chairman from 10 November 2008
Mr D M Tomkins	(2) (3) (4) (5)	Chairman to November 10 2008
		Resigned 10 November 2008
Mrs C Wynne	(4)	Appointed 14 September 2009
Dr J Cater	(2)* (3) (4) (5)	Vice-Chancellor

STAFF MEMBERS:

Mr B Johnson
Mr M Stanton
Mr F Rizzuto

STUDENT BODY MEMBERS:

Mr D Smith
Mr N Bouchard Appointed 6 July 2009

CLERK TO THE UNIVERSITY:

Mr J McNamara Resigned 10 November 2008
Ms L Munro Appointed 10 November 2008

- (1) Audit Committee Member
- (2) Remuneration Committee Member
- (3) Nominations Committee Member
- (4) Personnel Committee Member
- (5) Finance and Resources Committee Member

(*Except for matters relating to the Pro Vice-Chancellor's and Vice-Chancellor's terms and conditions).

PROFESSIONAL ADVISORS

The University uses the following professional advisors:

External Auditor - KPMG LLP
Internal Auditor - RSM Bentley Jennison
Banker - Barclays Bank PLC
Insurer - Aon Ltd
Solicitor - DLA Piper LLP
- Eversheds LLP

AUDITORS

A resolution to reappoint KPMG LLP as auditors to the institution will be proposed at the Board of Governors meeting.



Michael Pinfold
Chairman of the Board
9 November 2009

Vice-Chancellor's Financial and Operating Review

Edge Hill University is a Higher Education Corporation as defined under the provisions of the Education Reform Act 1988 as amended from time to time. Under these provisions the University is an exempt charity.

The Financial Statements comprise the consolidated results of Edge Hill University and its subsidiaries, Edge Hill Enterprises Limited, Edge Hill LRC Limited, Edge Hill University Science Limited, Edge Hill Property Services Limited, Edge Hill Maintenance Services Limited, Edge Hill Western Campus Developments Limited and Edge Hill Education Limited together "The Group". Edge Hill Enterprises Limited undertakes activities which, for commercial or legal reasons, are more appropriately dealt with through a limited company and manages income generating activities which are provided through the University. These activities include conference activity, management of students from outside of the United Kingdom, and short courses funded from bodies other than the Higher Education Funding Council for England (HEFCE), the Training and Development Agency for Schools (TDA), and the National Health Service (NHS). Edge Hill Education Ltd is a company set up to manage all Health delivery (excluding research) on behalf of the university. The other companies in the Group are involved in various aspects of property management.

MISSION, OBJECTIVES AND STRATEGY

The University's mission is to provide an innovative, high quality and inclusive learning experience underpinned by a commitment to the advancement, dissemination and application of knowledge. As a learning-led University, Edge Hill is dedicated to developing students as skilled autonomous learners in challenging and supportive environments.

The University has six distinct cultural values which lie at the heart of a successful community and provide common ground for all its members:

- Respect and value diversity
- Be distinctive, influential, entrepreneurial and socially responsible
- Expect and celebrate excellence
- Be professional, challenging and supportive
- Act with integrity
- Demonstrate courtesy in its dealings

Key themes that underpin the University's aims and objectives are:

- Reputation – a University built on the solid foundation of excellence in all aspects of our business is the key to attracting students, staff and partners
- Learning-led – supporting learning and acting as a learning organisation
- Sustainability – ensuring financial and academic processes are responsive to opportunities. The University recognises it must achieve long term sustainable growth
- Community – the University sees the establishment of an aspirational and inspirational culture and ethos as key to the development of a sense of community amongst students and staff
- Inclusion – ensuring widening participation and contributing to individual personal and career development is a long standing tradition that has helped distinguish Edge Hill.

The University's six core aims can be described as follows:

- To govern and manage efficiently and effectively in the context of a commitment to growth, sustainability and equality of opportunity
- To enhance and develop a high quality, innovative, accessible and flexible academic portfolio while ensuring the maintenance of standards
- To further develop and disseminate work in research, advanced scholarship and knowledge transfer in support of the enhancement of its academic portfolio, teaching, learning and student support
- To maximise student potential through a distinctive approach to teaching and learning, the enhancement of student learning, skills, knowledge and employability and through student support
- To continue to enhance participation from under-represented groups in higher education
- To enhance its collaboration with regional, national and international partners.

PERFORMANCE

	2009 £'000	2008 £'000
Income	82,770	71,734
Expenditure	(74,240)	(65,929)
Surplus pre FRS 17 adjustment and capital write downs	8,530	5,805
Loss on capital write downs	(23)	(990)
	8,507	4,815
Capital reserve release	443	899
Historic cost surplus pre FRS 17 adjustment	8,950	5,714
Pensions adjustment under FRS 17	(2,677)	(1,593)
	6,273	4,121

INCOME

Total income has risen by 15.3% driven partly by increased student numbers but also as a result of the variable fee being applied to all of our first, second and third year students for the first time this year. Growth in full time student tuition fee income is 28% having risen from £13.4m to £17.15m during the year. Whilst significant, this growth level should be considered alongside a significant increase in other operating expenditure (see below). This, to a large extent, is driven by the costs of the OFFA related student support package as well as other benefits to the student experience that the University continues to invest in.

The University has delivered a significant increase in HEFCE funded activities during the year with core HEFCE funding rising by a pleasing 13%. This has largely been achieved through the activities of the Greater Merseyside and West Lancashire Lifelong Learning Network (LLN) for which Edge Hill University is the lead institution. Once again, it is worth noting that there are significant associated costs attached to this income stream particularly as delivery is shared amongst the FE and HE partners of the network.

In spite of continued challenges in the Health sector, income has risen by 16% year on year. Opportunities to diversify income streams by expanding our portfolio of provision have been commendably grasped. Health has also worked closely with NHS NorthWest ensuring we remain flexible to the demands made with considerable success.

The Faculty of Education continues to grow as it takes maximum advantage of opportunities within the marketplace. Significant contributors to growth this year include major contracts for delivery related to Every Child Counts and the Early Years Professional Services programmes. We continue to be a provider of choice for TDA funded programmes with core TDA funding increasing by 20% driven primarily by outstanding success in the securing of and delivery to in excess of 7000 INSET students. Total TDA funded activity is 18.6% higher than the previous year which further cements our position as the largest provider of programmes for the TDA in the country.

EXPENDITURE

Operating expenditure (pre FRS 17) has increased by £8.311m or 12.6%. This represents a significant increase year on year.

A major increase in expenditure relates to staff costs which (pre FRS 17) have risen by 15.9%. This follows a similarly significant increase in the previous year. The impact of nationally agreed pay awards continued to be felt in 2008/09. The exit velocity associated with a 3% increase applied in May 2008 allied to a further 5% increase applied in October 2008 when RPI peaked (the agreement being to pay 3% or RPI, whichever was the greater) had a substantial impact on staffing costs. Since October 2008, RPI has plummeted and the sector as a whole continues to experience increasing financial pressure as Government seeks to curb public spending.

Other operating expenses are also significantly higher having increased by £1.86m or 8.6% during the year. Bursary and UNICARD payments under the student support package were £593,000 higher amounting to £3.016m for the year. This has been augmented by continuing investment in facilities as well as the physical infrastructure of the campus. Franchise fee payments to FE partners under the auspices of the Lifelong Learning Network are also 20% higher than 2007/08 as our LLN student number targets continue to increase, amounting to £1.33m.

Other significant movements in expenditure include legal fees which, whilst significant at £257,000 are substantially lower than the 2007/08 costs of £551,000, and relate primarily to appeals emanating from the pay framework implementation. Utilities costs have significantly increased this year rising by 67% or £736,000. This follows the completion of fixed price contracts that had previously been entered into for a period of three years when unit prices were significantly lower. A decision was made to renew contracts for a period of only one year which further increased costs during 2008/09. However, that has now allowed the University to take full advantage of sharp falls in wholesale utility prices witnessed in the last 12 months. Payments for school practice and educational visits have increased by 31% from £568,000 to £745,000 and this is largely driven by the increasing challenges in placing teacher trainee students in placement schools. Travel and subsistence is also increasing with a 22% or £139,000 increase in costs year on year with an increasing amount of travel required as the University continues to forge new relationships across the UK and overseas.

Facilities hire costs have also increased substantially rising by £130,000 or 15% as accommodation has been hired to house staff temporarily displaced by the demolition of old buildings that are no longer fit for purpose to make way for new construction.

KEY PERFORMANCE INDICATORS

The University measures its performance using a variety of tools. Easily quantifiable lagging measures surrounding financial performance cover surplus generation, finance and liquidity, growth, and capital employed. All such measures have performed strongly with a record surplus and strong cash balances being reported, double digit growth and a strong balance sheet.

Clearly a leading measure of outstanding financial performance is our ability to generate capacity to grow and fully deliver against it. In this respect the university has already secured the capacity to grow in 2009/10 with a further 260FTEs to be delivered through the Lifelong Learning Network. With regard to delivery, unconditional firms in Arts and Sciences for 2009/10 entry are 26% ahead of target which will also help in progressing our strategy and drive cost management initiatives in the future.

Short and medium term target setting must always be balanced against long term competitive capability if we are to sustain breakthrough performance. In this regard we have a number of qualitative targets which are mostly informed by survey and audit outcomes as well as published statistics.

Perhaps the most gratifying of these this year has been the results of the National Student Survey which again placed the University second in the North West region in terms of student satisfaction.

Equally relevant in terms of long term competitive advantage is the results of our staff survey. In this regard the university achieved its best ever outcome to date with 85% of staff rating the university as a good or excellent employer, and fewer than 2% dissenting.

The likelihood of securing employment after graduation is a major influencing factor for any prospective student considering HE given the present economic climate. Edge Hill's position as the number one university in the North West for graduate employability with an outstanding 95.3% of graduates in employment or further study within six months of graduation is highly commendable and places the university in a position of strength.

Increasingly, prospective students look to more informal communication networks to inform their choice of place of study with the internet a key source of information. Edge Hill's position in the top 10 universities in the country for its courses and lecturers in What Uni.com helps cement our reputation as a quality provider of HE.

Mindful of the impact upon the student experience of high quality on-campus residential accommodation and support (and the subsequent favourable impact on retention), the construction of a new 240 bed residential complex to a high degree of specification augmented by a student services accommodation team rated as one of the best in the country in the Times Higher Leadership and Management Awards during 2009 is testament to our ongoing investment in this key area of the overall student experience.

Our ability to prevent potential issues from arising and the embedding of risk management processes and review of the effectiveness of such processes throughout all layers of the University is seen as vital.

Audit outcomes across the University nevertheless remain a vital indicator of quality and in this respect our performance has been exemplary with substantial assurance (the highest level of assurance available) provided across all areas audited during the year.

OUTLOOK FOR 2009/10 AND FUTURE RISKS

Whilst 2008/09 has been a record year in terms of surplus generation, changes in government policy and funding are clearly likely to impact upon growth in the future. Already we have witnessed reductions in funding with a 5% cut announced impacting on 2009/10 and 2010/11. Whilst we await the outcome of the CSR 2011-14, pressure on the unit of resource is likely to continue with difficult decisions having to be made about the balance in funding between the state and the individual being considered in the forthcoming fees review.

In relation to TDA funding, the new Masters in Teaching and Learning looks set to be delivered regionally rather than nationally with a different funding model being applied. Both of these changes present a threat to an area of provision that has been a major contributory factor to the growth in income reported in recent years.

In Health uncertainty around NHS funding continues to hinder strategic planning with funding streams beyond an immediate one year time horizon subject to significant unpredictability. We have however seen increased clarity proposed for the 2009/10 year, and we welcome this.

That said, whilst the University enters this period of perturbation for the sector and the economy as a whole it does so safe in the knowledge that it continues to operate on a sound financial footing and will continue to react rapidly to the undoubted opportunities that present themselves in any period of flux.

As an indicator of this we continue to invest heavily in our capital infrastructure with £10.974m spent during 2008/09 and plans advanced for further student residential build as well as a new building that will house facilities management and IT services central support functions during 2009/10.

TREASURY POLICY, OBJECTIVES AND LIQUIDITY

Treasury management is the management of the University's cash flows, its banking and money market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with resources available. In this regard the University has a separate treasury management policy in place.

Year end cash balances of £20.486m have been achieved in spite of significant internal financing attached to capital expenditure associated with the Business School with cash inflows from operating activities over £10m.

Debt levels are £27.455m. Our aim is to ensure gearing levels are maintained within 50% of total reserves (excluding FRS17) and for annualized debt servicing costs to remain within 4% of revenue. In this regard, as well as all other liquidity measures used to assess performance, we have fully achieved our targets.

STUDENT COLLABORATION

Student consultation and involvement has remained a high priority for the University to ensure the student voice plays as full a role as possible in our deliberative and executive processes. Throughout the academic year the University has put in place a number of initiatives to enhance student participation and engagement in our decision making processes and our formal reviews of provision. The focus of development has been a strengthening of support for the Students' Union to generate an increased understanding of the importance of student representation and collaboration generally, with a particular emphasis on our course representative system.

The Academic Quality Unit, Student Services and the Students' Union have worked in partnership with Faculties to promote the benefits of the course representative system. A more methodical approach to identify individuals to become course representatives has been adopted, providing explicit information on the expectations of the role and its benefits to students as well as involving existing student representatives in the induction of new representatives. Formal consultative mechanisms such as the Equality Widening Access and Student Support Committee, the Staff Student Partnership Group, the Student Union (SU) Executive Group, the system of Course Representation and Staff

Student Consultative Groups have been reviewed and a number of steps taken to enhance students' ability and willingness to engage in formal processes. These include provision of informal mechanisms, such as focus groups and discussion groups to feed into the more formal committee structure.

Enhancements have also been made to the University Student Satisfaction Survey, one of our key methods of gathering direct student feedback to inform both quality improvement and quality enhancement activities within the University. This year students who did not return their surveys within a specified timeframe were contacted by phone and surveyed during a follow up session. This approach proved effective for the Faculties of Education and Arts and Sciences, bringing their response rates in line or increasing them. In previous years, to complete the feedback loop to our students, the University produced a series of leaflets and reports to publicise the headline results of the surveys, together with the University's actions in response to any issues raised. Student feedback however indicated that many students were unaware of these publications. This year in an attempt to make our responses to students more visible, large posters have been displayed in key open access areas of the University highlighting summary points as well as the importance of students getting involved in University business.

On matters of note to all students, the University continues to ensure the systematic provision of information to students in a range of ways. A comprehensive set of Student Regulations is available and incorporated into a Student Handbook, disseminated to all students at registration, available electronically or in hard copy. User-friendly guidelines for students on a range of academic processes have also been produced and essential information is revised and updated through relevant web pages and intranet resources.

EQUAL OPPORTUNITIES

The University actively follows an equal opportunities policy and seeks to eradicate any practices which promote racism, sexism, or homophobia or which discriminate against people with disabilities or from particular socio-economic backgrounds. Edge Hill is committed to widening access to its programmes and its facilities to groups under-represented in higher education.

HEALTH AND SAFETY MANAGEMENT

The University's Board of Governors and Senior Management are aware of their responsibilities on all matters relating to health, safety and environmental management. The University has developed detailed safety management policies and procedures, underpinned by appropriate levels of safety-related training,

instruction and supervision to ensure safe working practices are adopted.

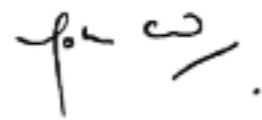
The University has a detailed Health, Safety and Environment Policy and undertakes a scheduled programme of safety management audits of its departmental operations to ensure it complies with legislation and recognised best practice. Regular updates and a comprehensive annual report are submitted to the Board of Governors via the responsible officer.

SUSTAINABLE DEVELOPMENT: ENERGY AND THE ENVIRONMENT

The University is committed to improving its environmental performance through reducing its environmental impact, conserving energy and natural resources and managing waste to minimise its contribution to landfill.

The University has introduced the following measures to create the conditions for our long-term sustainability:

- Developed an Environmental Management Implementation Plan, detailing specific targets for reducing our environmental impact and identifying the mechanisms for achieving these.
- Introduced new policies for Energy Management and Waste Management respectively, which extract the specific objectives from the implementation plan and identify roles, responsibilities and the measures to reduce energy consumption and minimise waste from the University's activities and processes.
- Undertaken a comprehensive review of the University's Green Travel Plan and Traffic & Parking Management Strategy to reflect the growth of campus, both in terms of the built environment and growing staffing and student numbers through successful recruitment.
- Integrated the principles of sustainable procurement through adopting the OGC Buying Solutions' 'Quick Wins' when selecting and purchasing of energy-efficient materials and equipment to demonstrate value-for-money while also ensuring appropriate consideration for life-cycle costing.



Dr John Cater
Vice-Chancellor
9 November 2009

Corporate Governance

The following statement is given to assist readers of the Financial Statements to obtain an understanding of the Governance procedures applied by the University's Board of Governors.

The University is committed to establishing best practice in all aspects of Corporate Governance. The Board of Governors welcomed the report of the Committee on the Financial Aspects of Corporate Governance and its Code of Best Practice. Whilst the University, an exempt charity, does not fall within the regulation of the London Stock Exchange, the Board of Governors is satisfied that the Institution has complied throughout the period with the relevant provisions set out in Section 1 of the combined Code on Corporate Governance which can be applied to universities and colleges. The University also complies with the guide for members of Governing Bodies of Universities and Colleges in England and Wales, which was issued by the Committee of University Chairmen in March 2009.

SUMMARY OF THE UNIVERSITY'S STRUCTURE OF CORPORATE GOVERNANCE

The Board of Governors, which is the executive body of the University, comprises lay members, students and employees under the Statutes of the University, the majority of whom are non-executive. The role of Chairman of the Board of Governors is separated from the role of the University's Vice-Chancellor. The matters specially reserved to the Board of Governors for decision are set out in the Financial Regulations of the University; by custom and under the Financial Memorandum with the Higher Education Funding Council for England and The Training and Development Agency for Schools. The Board of Governors holds to itself the responsibilities for the ongoing strategic direction, the educational character and mission, all financial and property matters and staffing of the University. It is in receipt of regular reports from executive officers on the day-to-day operations of its business and its subsidiary companies. During 2007/08 a pilot was undertaken whereby the Board of Governors met formally eight times alongside a number of meetings of the Audit Committee, Nominations Committee and Remuneration Committee. The meetings of the Finance and Resources Committee and the Personnel Committee were "suspended", the areas covered by them being considered by the Full Board at its more regular meeting times. This pilot whilst useful in some respects did not achieve the benefits originally envisaged and as a result the Board reverted for 2008/09 to a more traditional number of full meetings supported by the reintroduction

of meetings of its sub committees, namely Finance and Resources and Personnel. All of the Committees are fully constituted with terms of reference and comprise mainly lay members of the Board of whom one is the Chairman.

The Finance and Resources Committee inter alia recommends to the Board of Governors the annual revenue and capital budgets and monitors financial performance of Capital Projects.

The Personnel Committee advises the Board on all human resource matters relevant to the University's staffing establishment.

The Board of Governors' Nominations Committee considers nominations for vacancies in the Board of Governors' membership.

The Remuneration Committee determines the annual remuneration of senior staff.

The Audit Committee is responsible for meeting at least four times annually with the External Auditors and Internal Auditors of the University and reviewing their work. The Committee considers detailed reports together with recommendations for the improvement of the University's systems of internal control and management's response and implementation plans. They also receive and consider reports from the Higher Education Funding Council for England as they affect the University's business and monitor adherence with the regulatory requirements. They review the University's annual financial statements together with the accounting policies. Whilst senior executives attend meetings of the Audit Committee as necessary, they are not members of the Committee. The Committee meets with the External and Internal Auditors on their own for independent discussions.

Subject to the overall responsibility of the Board of Governors, the Academic Board has oversight of the academic affairs of the University and draws its membership from the staff and students of the University. It is responsible for general issues relating to teaching and learning and research work, for the development of academic activity and for advising on such other matters as the Board and Vice-Chancellor may refer to it.

The University maintains a register of interests, which may be consulted by prior arrangement with the University Secretary.

The Board is served by a Clerk to the Governors who is also the University Secretary and who provides independent advice on matters of governance to all Board members.

STATEMENT OF INTERNAL CONTROL

As the Governing Body of Edge Hill University, we have responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which we are responsible, in accordance with the responsibilities assigned to the Governing Body in the instrument and articles and the Financial Memorandum with the HEFCE.

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 against material mis-statement or loss.

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 2009 and up to the date of approval of the financial statements, and accords with HEFCE guidance.

The Governing Body has responsibility for reviewing the effectiveness of the system of internal control. The following processes have been established:

- It meets at regular intervals to consider the plans and strategic direction of the University.
- It receives periodic reports from the Chairman of the Audit Committee concerning internal control, and requires regular reports from managers on the steps they are taking to manage risks in their areas of responsibility, including progress reports on key projects.
- It has requested the Audit Committee to provide oversight of the University's management of risks.
- The Audit Committee receives regular reports from the head of internal audit, which include the head of internal audit's independent opinion on the adequacy and effectiveness of the University's system of internal control, together with recommendations for improvement.
- Facilitated workshops are held for Governors, senior and other managers to identify and keep up to date the record of risks facing the organisation.

- A system of reporting on risk management has been agreed by the Board, Audit Committee and undertaken during the year. This involves a range of formal reports and an analysis of risk at each meeting. At the end of the year the Chairman of the Audit Committee formally reports to the full Board on the Committee's activities during the year in accordance with relevant guidance. This report includes an assessment of the effectiveness of the Internal Control System (including risk management) during the year.
- A robust risk prioritisation methodology based on risk ranking and cost-benefit analysis has been established.
- An organisation-wide risk register is maintained.
- Reports are regularly received from budget holders and/or other key members of staff on key risks.

The approach of the Governing Body to risk is to manage the University's exposure to it. The University will seek to recognise risk, mitigate adverse consequences where possible whilst embracing appropriate opportunities. The University recognises that in pursuit of its mission and academic objectives it may choose to accept an increased level of risk. It will do so subject to ensuring that the benefits and risks are fully understood before activities are authorised and that appropriate measures to mitigate risk are established.

The Board's review of the effectiveness of the system of internal control is informed by internal audit, which operates to standards defined in the HEFCE Audit Code of Practice and which was last reviewed for effectiveness by the HEFCE Audit Service in March 2008. The report of the HEFCE Assurance Service makes clear that HEFCE are able to place reliance on the accountability information provided by Edge Hill University. There were no specific recommendations arising from this review. The internal auditors submit regular reports, which include the head of internal audit's independent opinion on the adequacy and effectiveness of the University's system of internal control, with recommendations for improvement.

The Board's review of the effectiveness of the system of internal control is also informed by the work of the executive managers within the 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 and other reports.

Responsibilities of the Board of Governors

In accordance with the Statutes of Edge Hill University ("the University"), the Governing Body of the University, responsible for the administration and management of the affairs of the University, is required to present audited financial statements for each financial year. Working through its Finance and Resources Committee and Audit Committee, the Governing Body is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Institution and enable it to ensure that the financial statements are prepared in accordance with the Statutes of the Institution, the Statement of Recommended Practice on Accounting in Higher Education Institutions and other relevant accounting standards. In addition, within the terms and conditions of the Financial Memorandum agreed between the Higher Education Funding Council for England, the Training and Development Agency for Schools and the 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 the University and of the surplus and cash flows for the 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 the University will continue in operation. The Governing Body is satisfied that the 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 and the Training and Development Agency for Schools are used only for the purposes for which they have been given and in accordance with the Financial Memorandum with the relevant Funding Council and any other conditions which the Funding Councils 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 the University and prevent and detect fraud;
- Secure the economical, efficient and effective management of the University's resources and expenditure.

Report of Independent Auditors, KPMG LLP, to the Board of Governors of Edge Hill University

We have audited the group financial statements of Edge Hill University for the year ended 31 July 2009 which comprise the Group Income and Expenditure Account, the Statement of Historical Cost Surpluses and Deficits, the Group Statement of Total Recognised Gains and Losses, the Balance Sheet, the Group Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Board of Governors in accordance with paragraph 10 of the University's Articles of Government and section 124B of the Education Reform Act 1988. Our audit work has been undertaken so that we might state to the Board of Governors those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Governors, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE BOARD OF GOVERNORS AND AUDITORS

The Governing Body's responsibilities for preparing the Board of Governor's Report, the Vice-Chancellor's report and the group financial statements in accordance with the Accounts Direction issued by the Higher Education Funding Council for England, applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the statement of responsibilities on page 15.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education. We also report to you whether income from funding bodies, grants and income for specific purposes and from other restricted funds administered by the University, have been properly

applied only for the purposes for which they were received, and whether in all material respects income has been applied in accordance with the Statutes and where appropriate with the Financial Memorandum with the Higher Education Funding Council for England and with the Financial Memorandum with The Training and Development Agency for Schools.

We also report to you if, in our opinion, the Vice-Chancellor's report is not consistent with the Financial Statements, the University has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read the other information contained in the Vice-Chancellors Operating and Financial Review (including the Corporate Governance Statement) and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

BASIS OF OPINION

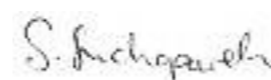
We conducted our audit in accordance with International Auditing Standards (UK and Ireland) issued by the Auditing Practices Board and the Audit Code of Practice issued by the Higher Education Funding Council for England. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the University's Governing Body in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group and University's circumstances, consistently applied and adequately disclosed.

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

OPINION

In our opinion:

- The financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the affairs of the group and of the University as at 31 July 2009, and of the group's surplus of income over expenditure for the year then ended;
- The financial statements have been properly prepared in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education;
- In all material respects, income from the Higher Education Funding Council for England and the Training and Development Agency for Schools, grants and income for specific purposes and from other restricted funds administered by the University during the year ended 31 July 2009 have been applied for the purposes for which they were received; and
- In all material respects, income during the year ended 31 July 2009 has been applied in accordance with the University's statutes and where appropriate with the Financial Memorandum with the Higher Education Funding Council for England and the funding agreement with the Training and Development Agency for Schools.



S Suchoparek
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
St James' Square
Manchester
M2 6DS
9 November 2009

Statement of Principal Accounting Policies

PRINCIPAL ACCOUNTING POLICIES

These 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 applicable accounting standards. A summary of the more important accounting policies, which have been applied consistently, is set out below:

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with the historic cost convention, modified by the revaluation of certain fixed assets on a depreciated replacement cost basis.

BASIS OF CONSOLIDATION

These consolidated financial statements include the results for the financial year to 31 July 2009 and net assets at 31 July 2009 of the University and the following wholly-owned subsidiary companies of Edge Hill University: Edge Hill Enterprises Limited, Edge Hill LRC Limited, Edge Hill University Science Limited, Edge Hill Property Services Limited, Edge Hill Maintenance Services Limited, Edge Hill Western Campus Developments Limited and Edge Hill Education Limited. In accordance with FRS 2 the consolidated financial statements do not include the results of Edge Hill University Students' Union, as it is a separate organisation in which the University has no financial interest and over which it has neither control nor significant influence in relation to policy decisions.

RECOGNITION OF INCOME

Income from tuition fees is recognised in the period for which it is received. Income from grants, contracts and other services rendered is included to the extent of the completion of the contract or service concerned. Recurrent grants from funding councils are recognised in the period in which they are receivable. Non-recurrent grants from funding councils or other bodies received in respect of the acquisition or construction of fixed assets are treated as deferred capital grants and amortised in line with depreciation over the life of the assets. All income from short-term deposits is credited to the income and expenditure account in the period in which it is earned.

FOREIGN CURRENCIES

Trading transactions denominated in foreign currencies are translated into sterling at the exchange rate ruling when the transaction was entered into. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates ruling at the balance sheet date. Exchange gains and losses are included in the profit on ordinary activities.

INVESTMENTS

Investments in subsidiaries are recorded at cost.

FIXED ASSETS

Fixed asset land and buildings are included at the revaluation amount as at 31 July 2009. The revaluation was undertaken by King Sturge & Co, an external firm of professional chartered surveyors on a depreciated replacement cost basis.

Expenditure on fixed assets with a useful life of more than one year and with a cost in excess of £1,000 is capitalised. Depreciation for 2008/2009 has been charged to expenditure at rates estimated to write off the cost or valuation of tangible fixed assets by equal annual instalments over their anticipated useful lives, the principal rates being:

	%
Leased land	1
Landscaping	5
Temporary buildings	10
<i>Equipment</i>	
Computer hardware and electrical equipment	33
Computer software	25
Non-electrical education equipment and furniture	10
Motor vehicles	33

Freehold land and assets in the course of construction are not depreciated.

Buildings in use and major refurbishments to them are depreciated over their expected useful economic lives of between 10 and 60 years, and leasehold land over the life of the lease. Where buildings are acquired with the aid of specific grants they are capitalised and depreciated as above.

Leased buildings include the rental valuation for Woodlands, Chorley at 10 years' lease at a rental of £104,000 per annum. The use of the Woodlands site was subject to a separate agreement with Lancashire County Council in 1989 giving use of 51% of the Woodlands site in perpetuity to Edge Hill University. This building is not depreciated as Lancashire County Council have a responsibility to maintain this property to a high standard in perpetuity.

LEASES

Fixed assets held under finance leases and the related lease obligations are recorded in the Balance Sheet at the fair value of the leased assets at the inception of the lease or any subsequent revaluation. The excess of lease payments over recorded lease obligations are treated as finance charges which are amortised over each lease term to give a constant rate of charge on the remaining balance of obligations. Rental costs under operating leases are charged to expenditure in equal annual amounts over the periods of the leases.

GOVERNMENT GRANTS

The University receives both recurrent and specific revenue and capital grants from both the Higher Education Funding Council for England (HEFCE) and the Training and Development Agency for Schools (TDA). Recurrent revenue grants are included in the income and expenditure account in the period in which they are receivable. Capital grants received in the year are treated as deferred credits, with appropriate transfers being made to the income and expenditure account over the estimated useful lives of the related assets.

STOCKS

Stocks are valued in the balance sheet at the lower of cost and net realisable value.

MAINTENANCE OF PREMISES

The cost of routine corrective maintenance is charged to the income and expenditure account in the period that it is incurred.

PENSION

The two principal pension schemes for the University's staff are the Teachers Pension Scheme (TPS – formerly the Teachers Superannuation Scheme) for academic staff and the Local Government Pension Scheme (LGPS) for those staff not included as academic.

LOCAL GOVERNMENT PENSION SCHEME

The University operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the group.

Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the scheme deficit is split between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses.

TEACHERS PENSION SCHEME

This is an unfunded defined benefit scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The 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 FRS 17 "Retirement Benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

UNIVERSITIES SUPERANNUATION SCHEME

The institution participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administrated fund. The institution 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 FRS 17 "Retirement benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

CASH FLOWS AND LIQUID RESOURCES

Cash flows comprise increases or decreases in cash. Cash includes cash in hand, 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 in cash. Liquid resources comprise assets held as a readily reclaimable store of value.

ACCESS FUNDS

Funding Council grants relating to access funds are available solely for students. The University acts only as payment agent. Grants and related disbursements are therefore excluded from the Income and Expenditure Account.

TAXATION STATUS

The University is an exempt charity within the meaning of Schedule 2 of 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, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by Section 505 of the ICTA 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.

The University receives no similar exemption in respect of Value Added Tax.

Consolidated Income and Expenditure Account for the Year Ended 31 July 2009

INCOME	NOTE	2009 £'000	2008 £'000
Funding council grants	1	42,853	37,475
Academic fees and support grants	2	18,906	15,442
Research grants and contracts		393	345
Other operating income	3	20,469	17,917
Interest receivable from short-term deposits		149	555
Total income		82,770	71,734
EXPENDITURE			
Staff costs	4	47,973	41,531
Depreciation	7	2,725	2,742
Other operating expenses	5	23,485	21,621
Interest payable	6	2,734	1,628
Total expenditure		76,917	67,522
Surplus on continuing operations after depreciation of fixed assets and before tax		5,853	4,212
Loss on disposal of assets	7	(23)	(990)
Surplus on continuing operations after depreciation of fixed assets and disposal of assets and before tax		5,830	3,222
Statement of historical cost surpluses and deficits for the year ended 31 July 2009		2009 £'000	2008 £'000
Surplus on ordinary activities after taxation		5,830	3,222
Difference between the historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	16	443	899
Historical cost surplus after taxation		6,273	4,121

The consolidated income and expenditure of the Institution and its subsidiaries relate wholly to continuing operations.

The notes on pages 25 to 44 form an integral part of these financial statements.

Statement of Consolidated Total Recognised Gains and Losses for the Year Ended 31 July 2009

	NOTE	2009 £'000	2008 £'000
Surplus for the year on continuing operations after depreciation of assets at valuation and disposal of assets		5,830	3,222
Gain on revaluation of assets		7,684	-
Actuarial gain/(loss) in respect of pension scheme	14	713	(14,513)
Total recognised gains/(losses) relating to the period		14,227	(11,291)
RECONCILIATION			
Opening reserves		23,199	34,490
Total recognised gains/(losses) for the year		14,227	(11,291)
Closing Reserves		37,426	23,199

Balance Sheets as at 31 July 2009

FIXED ASSETS	NOTE	GROUP		PARENT	
		2009 £'000	2008 £'000	2009 £'000	2008 £'000
Tangible assets	7	99,684	83,779	87,077	71,533
Investment in subsidiaries	8	-	-	18,517	18,517
Other investments		4	4	4	4
		99,688	83,783	105,598	90,054
CURRENT ASSETS					
Stock and stores in hand		34	35	34	35
Debtors	9	3,443	2,726	10,373	7,776
Short term deposits		7,725	6,629	7,725	6,629
Cash at bank and in hand		12,761	7,457	3,779	1,780
		23,963	16,847	21,911	16,220
Creditors: Amounts falling due within one-year	10	(14,337)	(14,432)	(20,075)	(21,203)
NET CURRENT ASSETS/(LIABILITIES)		9,626	2,415	1,836	(4,983)
TOTAL ASSETS LESS CURRENT LIABILITIES		109,314	86,198	107,434	85,071
Creditors: Amounts falling due in more than one year	11	(26,224)	(21,428)	(30,444)	(25,521)
Provisions for liabilities and charges	13	(1,730)	(1,764)	(1,730)	(1,764)
NET ASSETS excluding pension liability		81,360	63,006	75,260	57,786
Pension liability		(30,057)	(28,093)	(30,057)	(28,093)
NET ASSETS including pension liability		51,303	34,913	45,203	29,693
Deferred capital grants	15	13,876	11,713	9,196	6,991
Reserves					
Revaluation reserve	16	24,563	17,322	23,768	17,322
Income & expenditure account excluding pension liability		42,921	33,971	42,296	33,473
Pension Reserve		(30,057)	(28,093)	(30,057)	(28,093)
Income & expenditure account including pension liability		12,864	5,878	12,239	5,380
TOTAL FUNDS		51,303	34,913	45,203	29,693

The financial statements on pages 18 to 44 were approved by the Board of Governors on 9 November 2009 and were signed on its behalf by:

Michael Pinfold - Chairman, Board of Governors
Dr John Cater - Vice-Chancellor



Consolidated Cash Flow Statement for the Year Ended 31 July 2009

	NOTE	2009 £'000	2008 £'000
Net cash inflow from operating activities	18	11,288	10,420
Returns on investments and servicing finance	19	(1,246)	(799)
Capital expenditure and financial investment	20	(8,428)	(8,754)
Cash inflow/(outflow) before use of liquid resources and financing		1,614	867
Management of liquid resources – short term deposits		(1,096)	311
Financing	21	4,786	(1,242)
(Decrease)/increase in cash		5,304	(64)

Reconciliation of Net Cash Flow to Movement in Net Funds

	NOTE	2009 £'000	2008 £'000
Increase/(decrease) in cash in period		5,304	(64)
Increase/decrease in short term deposits		1,096	(311)
Repayment of debt		1,214	1,242
Debt acquired		(6,000)	-
Change in net funds		1,614	867
Net funds at 1 August	22	(8,583)	(9,450)
Net funds at 31 July	22	(6,969)	(8,583)

Notes to the Financial Statements

1. FUNDING COUNCIL GRANTS	NOTE	2009 £'000	2008 £'000
Recurrent grant: HEFCE		18,684	16,535
TDA		17,015	14,179
Specific grants:			
HEFCE specific		-	307
Improving retention		3,632	3,037
HEFCE research		47	31
Special initiatives		2,238	2,075
TDA other		939	954
Deferred capital grants released in year:			
Buildings	15	272	183
Equipment	15	26	174
		42,853	37,475

2. ACADEMIC FEES AND SUPPORT GRANTS	2009 £'000	2008 £'000
Full-time students	17,148	13,396
Full-time students charged overseas fees	523	597
Part-time fees	1,047	1,409
Short course fees	188	40
	18,906	15,442

3. OTHER OPERATING INCOME	2009 £'000	2008 £'000
Health authorities	12,966	11,169
Residences, catering and conferences	2,813	2,834
Other	4,610	3,817
Deferred capital grants released in year:		
Buildings	15	38
Equipment	15	59
	20,469	17,917

Notes to the Financial Statements

4. STAFF COSTS	2009	2008
	£'000	£'000
Wages and salaries	38,981	33,613
Social security costs	3,030	2,603
Pension costs	4,618	4,015
	46,629	40,231
FRS 17 adjustment: Service cost	3,697	2,634
Past service costs/curtailment/settlement gain	22	776
Employer contributions	(2,375)	(2,110)
	47,973	41,531

Staff Costs By Activity	2009	2008
	£'000	£'000
Academic departments	30,434	25,945
Academic Support Services	3,213	2,914
Other Support Services	4,238	3,550
Administration and Central Services	4,626	4,133
Premises	2,159	1,907
Income generating activities	803	735
Catering and residence	1,156	1,047
	46,629	40,231

Average Full-Time Equivalent staff numbers by function	2009	2008
	Number	Number
Academic departments	595	544
Academic support services	98	97
Other support services	112	104
Administrative and central services	119	136
Premises	80	75
Income generating activities	22	12
Catering and residence	51	48
	1,077	1,016

Notes to the Financial Statements

SENIOR EMPLOYEES REMUNERATION

	Vice-Chancellor	Pro Vice-Chancellor (Resources)	Pro Vice-Chancellor (Academic)	Pro Vice-Chancellor (Students & External)
Year to 31 July 2009	£'000	£'000	£'000	£'000
Gross pay	202	140	141	128
Benefits in kind	3	3	2	-
	205	143	143	128
Employer's pension contributions (at standard terms)	27	17	18	18
Gross remuneration	232	160	161	146

Year to 31 July 2008

Gross pay	175	118	118	92
Benefits in kind	3	3	2	1
	178	121	120	93
Employer's pension contributions (at standard terms)	25	16	17	13
Gross remuneration	203	137	137	106

Remuneration for higher paid staff (including the Vice-Chancellor), was in the following ranges:

	2009	2008
	Number	Number
£100,000 - £109,999	-	1
£130,000 - £139,999	-	2
£140,000 - £149,999	1	-
£160,000 - £169,999	2	-
£200,000 - £209,999	-	1
£230,000 - £239,999	1	-

Members of the Board of Governors do not receive any fees or remuneration for their services. Expenses incurred in respect of their duties for the University did not exceed £500 in aggregate in the year.

Notes to the Financial Statements

5. OTHER OPERATING EXPENSES	2009 £'000	2008 £'000
Residence, catering and conferences operating expenses	1,401	1,205
Books and periodicals	880	841
Heat, light, water, electricity, waste collection and rates	1,831	1,095
Maintenance materials	1,147	1,850
Validation costs	208	189
Office services and supplies	1,884	1,857
Consumables and supplies	871	917
Publicity and advertising	1,038	1,161
Staff training and development	651	654
Bursaries	3,016	2,423
School practice and educational visits	745	568
School based training payments	1,755	1,765
Temporary staff	992	806
Staff travel and subsistence	773	634
Grants to Students' Union	240	190
Professional fees	1,301	1,471
Exchange Losses	-	7
Auditors' remuneration - external audit	41	41
Auditors' remuneration - internal audit	21	18
Auditors' remuneration in respect of non-audit services	128	161
Other operating expenses	4,562	3,768
	23,485	21,621

The external audit remuneration includes £34,850 (2008: £34,663) in respect of the audit of Edge Hill University itself. Auditors' remuneration for non-audit services principally comprises fees in respect of tax services £18,777 (2008: £16,055) and Education advisory £108,792 (2008: £145,308).

6. INTEREST PAYABLE	2009 £'000	2008 £'000
On bank loans: Repayable wholly or partly in more than five years	1,398	1,330
	1,398	1,330
Other interest	3	5
	1,401	1,335
FRS 17 Charge consisting of:		
Expected return on pension scheme assets	(3,203)	(3,240)
Interest on pension scheme liabilities	4,536	3,533
	2,734	1,628

Notes to the Financial Statements

7. FIXED ASSETS	GROUP						Total £'000
	Buildings under construction £'000	Land and buildings £'000	Long term leased land and buildings £'000	Equipment £'000	Leased equipment £'000	Vehicles £'000	
Cost or valuation							
At 1 August 2008	3,564	81,714	1,040	9,311	65	84	95,778
Additions	10,158	113	-	701	-	2	10,974
Disposals	-	(7)	-	(1,097)	(52)	-	(1,156)
Inter category transfers	(9,548)	9,548	-	-	-	-	-
Revaluation	-	934	-	-	-	-	934
At 31 July 2009	4,174	92,302	1,040	8,915	13	86	106,530
Depreciation							
At 1 August 2008	-	5,116	-	6,760	65	58	11,999
Charge for the year	-	1,635	-	1,066	-	24	2,725
Disposals	-	(2)	-	(1,075)	(52)	-	(1,129)
Revaluation	-	(6,749)	-	-	-	-	(6,749)
At 31 July 2009	-	-	-	6,751	13	82	6,846
Net book value							
At 31 July 2009	4,174	92,302	1,040	2,164	-	4	99,684
At 31 July 2008	3,564	76,598	1,040	2,551	-	26	83,779
Inherited	-	12,765	1,040	-	-	-	13,805
Financed by capital grant	554	13,092	-	230	-	-	13,876
Other	3,620	66,445	-	1,934	-	4	72,003
Net book value at 31 July 2009	4,174	92,302	1,040	2,164	-	4	99,684

Notes to the Financial Statements

	Buildings under construction £'000	Land and buildings £'000	PARENT Long Term leased land and buildings £'000	Equipment £'000	Leased equipment £'000	Vehicles £'000	Total £'000
Cost or valuation							
At 1 August 2008	3,564	63,099	8,061	8,426	65	84	83,299
Additions	10,158	96	-	720	-	2	10,976
Disposals	-	(7)	-	(1,097)	(52)	-	(1,156)
Inter category transfers	(9,548)	9,548	-	-	-	-	-
Revaluation	-	396	107	-	-	-	503
At 31 July 2009	4,174	73,132	8,168	8,049	13	86	93,622
Depreciation							
At 1 August 2008	-	4,497	485	6,661	65	58	11,766
Charge for the year	-	1,286	119	864	-	24	2,293
Disposals	-	(2)	-	(1,075)	(52)	-	(1,129)
Revaluation	-	(5,781)	(604)	-	-	-	(6,385)
At 31 July 2009	-	-	-	6,450	13	82	6,545
Net book value							
At 31 July 2009	4,174	73,132	8,168	1,599	-	4	87,077
At 31 July 2008	3,564	58,602	7,576	1,765	-	26	71,533
Inherited	-	12,765	1,040	-	-	-	13,805
Financed by capital grant	554	5,944	2,665	33	-	-	9,196
Other	3,620	54,423	4,463	1,566	-	4	64,076
Net book value							
at 31 July 2008	4,174	73,132	8,168	1,599	-	4	87,077

Notes to the Financial Statements

8. INVESTMENTS IN SUBSIDIARIES	2009 £'000	2008 £'000
Investment in Edge Hill Enterprises Limited	1	1
Investment in Edge Hill LRC Limited	1,486	1,486
Investment in Edge Hill University Science Limited	4,892	4,892
Investment in Edge Hill Property Services Limited	7,138	7,138
Investment in Edge Hill Maintenance Services Limited	-	-
Investment in Edge Hill Western Campus Developments Limited	4,000	4,000
Investment in Edge Hill Education Limited	1,000	1,000
	18,517	18,517

The University owns 100% of the issued share capital of its subsidiary company Edge Hill Enterprises Limited (£1,000). The principal activities of the company are the promotion of Edge Hill University and the generation of profits which are covenanted to the University.

The University owns 100% of the issued share capital of its subsidiary company Edge Hill LRC Limited (£1.486m). The subsidiary is at present non-trading.

The University owns 100% of the issued share capital of its subsidiary company Edge Hill University Science Limited (£4.892m). The principal activities of this company relate to property management.

The University owns 100% of the issued share capital of its subsidiary company Edge Hill Property Services Limited (£7.138m). The principal activities of this company relate to the management and maintenance of the property portfolio owned by Edge Hill University.

Edge Hill Maintenance Services Limited is a company limited by guarantee. The principal activities of the company are to maintain and repair the majority of premises owned by Edge Hill University.

The University owns 100% of the issued share capital of its subsidiary company Edge Hill Western Campus Developments Limited (£4m). The principal activities of this company relate to property developments.

The University owns 100% of the issued share capital of its subsidiary company Edge Hill Education Limited (£1m). The principal activity of the company is nurse training. All subsidiary companies are registered in England and operating in the U.K.

Notes to the Financial Statements

9. DEBTORS	GROUP		PARENT	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Debtors due within one year:				
VAT recoverable	155	44	-	-
Payments in advance	814	879	792	862
Other debtors	2,297	1,614	1,778	1,250
Tax recoverable	18	18	18	18
Other amounts owed by subsidiary undertakings	-	-	4,389	1,967
Debtors due after more than one year:				
Loan to subsidiary undertaking	-	-	3,237	3,508
Other	159	171	159	171
	3,443	2,726	10,373	7,776

10. CREDITORS: Amounts falling due within one year	GROUP		PARENT	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Bank loans	1,231	1,241	1,031	1,041
VAT payable	1,692	299	1,687	287
Receipts in advance	1,995	1,112	1,995	1,112
Creditors	3,544	5,029	2,410	3,728
Corporation tax/income tax	2	2	-	-
Social Security and other taxation payable	1,630	1,443	1,624	1,435
Accruals	4,243	5,306	3,911	4,687
Amounts owed to subsidiary undertaking	-	-	7,417	8,913
	14,337	14,432	20,075	21,203

11. CREDITORS: Amounts falling due after more than one year	GROUP		PARENT	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Unsecured loans repayable between 1999 & 2020				
Bank loans (see note 12a)	26,224	21,428	21,824	16,828
Obligations under finance leases (see note 12b)	-	-	3,466	3,466
Amounts owed to subsidiary undertakings	-	-	5,154	5,227
	26,224	21,428	30,444	25,521

Notes to the Financial Statements

12. BORROWINGS

(a) Bank loans and overdrafts

Bank loans and overdrafts are repayable as follows:

	GROUP		PARENT	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
In one year or less	1,231	1,241	1,031	1,041
Between one and two years	1,245	1,241	1,045	1,041
Between two and five years	4,096	3,724	3,496	3,124
In five years or more	20,884	16,463	17,284	12,663
	27,456	22,669	22,856	17,869

£1.418m of the above balance was used to finance the construction of Forest Court Residences. The loan was fixed on 13 December 2007 at an interest rate of 5.29% repayable in equal instalments in March, June, September and December in each year until 14 June 2019.

A review of the relative mix of fixed to variable interest rate debt was also undertaken at this time, which led to the conversion of £3m of then variable rate debt to a fixed rate of 5.2% payable in equal instalments in March, June, September and December each year until December 2025. The current balance outstanding in relation to this debt is £2.475m.

£2.855m of the above balance relates to what was originally part of a development loan facility converted to a treasury term loan of 18 years in May 2003 with the first 10 years fixed at a rate of 5.4225% repayable in equal instalments in May, August, November and February.

£4.6m of the balance relates to a development loan facility. The loan is currently at a rate of 5.5071% with capital repayable in equal instalments of £50,000 in September, December, March and June until 2032.

£7.36m of the balance relates to a development loan facility. The loan is currently at a rate of 5.7868% with capital repayable in equal instalments of £80,000 in August, November, February and May until 2032.

£6m of the above balance represents the first of five annual loan draw downs from a £30m development loan facility. The loan is at a rate of 5.23% and was drawn on 1 December 2008 and will remain interest only until the full £30m has been drawn. On 1 December 2012, the loan will revert to a 25 year term loan repayable in December 2037.

£2.747m of the above balance was originally drawn as part of a development loan facility. £824,000 was fixed at 5.6775% until March 2009 and £1.923m was fixed at 6.2% until October 2009. In October 2009 both loans will be consolidated into a single amount at a rate of 5.3% and repayable in equal instalments in March, June, September and December. This loan will be fully repaid in January 2024.

(b) Finance leases

The net finance leases obligations to which the institution is committed are:

	GROUP		PARENT	
	2008 £'000	2007 £'000	2008 £'000	2007 £'000
In one year or less	-	-	-	-
Between two and five years	-	-	-	-
In five years or more	-	-	3,466	3,466
	-	-	3,466	3,466

Notes to the Financial Statements

13. PROVISIONS FOR LIABILITIES AND CHARGES

GROUP AND PARENT

	Pension £'000
At 1 August 2008	1,764
Utilised in year	(123)
Transfer from Income and Expenditure Account	143
Release of provision	(54)
At 31 July 2009	1,730

14. PENSION

Local Government Pension Scheme (LGPS)

LGPS 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 actuaries. In the intervening years, the LGPS actuary reviews the progress of the LGPS scheme.

LGPS is a funded defined benefit scheme with assets held in separate trustee administered funds. The actuary of the scheme has identified the institutions share of its assets and liabilities as at 31 July 2009 at 1.524%. The employer contribution rate payable is 13.5%. Employee contribution rates vary according to salary level bandings.

The latest full actuarial valuation was carried out as at 31 March 2007. The major assumptions used in this valuation were:

Actuarial method	Projected unit
Rate of discount	6.5% per annum
Pension increases per annum	2.75% per annum
Pensionable pay increases per annum	4.5% per annum
Market value of assets at date of last valuation	£3,689 million

Proportion of members' accrued benefits covered by the actuarial value of the assets is 84%.

The full actuarial valuation was updated for FRS 17 purposes to 31 July 2009 by a qualified independent actuary as follows:

	2009	2008	2007
Inflation assumption	3.7%	3.8%	3.2%
Rate of increase in salaries	5.45%	5.55%	4.95%
Rate of increase in pensions	3.7%	3.8%	3.2%
Discount rate applied to scheme liabilities	6.3%	5.9%	5.8%

Notes to the Financial Statements

14. PENSION

Local Government Pension Scheme (LGPS)

Assumed life expectation on retirement age 65 are:	At 31 July 2009	At 31 July 2008
Retiring today		
Males	21.1	21.1
Females	24.0	24.0
Retiring in 20 years		
Males	22.2	22.2
Females	25.0	25.0

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

The fair value of the scheme's assets and their long term expected rate of return is:

	Long-term rate of return expected	2009 Value £'000	Long-term rate of return expected	2008 Value £'000	Long-term rate of return expected	2007 Value £'000
Equities	7.5%	1,961,820	7.5%	2,255,752	7.5%	2,476,584
Government bonds	4.5%	217,980	4.8%	241,296	4.9%	290,016
Other bonds	5.8%	435,960	5.9%	552,056	5.8%	469,368
Property	6.5%	186,840	6.5%	219,360	6.5%	259,488
Cash/liquidity	0.5%	124,560	5.0%	153,552	5.75%	206,064
Other	7.5%	186,840	7.5%	233,984	7.5%	114,480
		3,114,000		3,656,000		3,816,000

The scheme's assets are not intended to be realised in the short term and maybe subject to significant change before they are realised. The following amounts at 31 July 2009 were measured in accordance with the requirements of FRS 17.

	2009 £'000	2008 £'000	2007 £'000
University's estimated asset share	45,319	46,691	47,559
Present value of scheme liabilities	(75,376)	(74,784)	(59,546)
Deficit in the scheme	(30,057)	(28,093)	(11,987)

Notes to the Financial Statements

14. PENSION

Local Government Pension Scheme (LGPS)

ASSET AND LIABILITY RECONCILIATION	2009 £'000	2008 £'000
Reconciliation of liabilities		
Liabilities at start of period	74,784	59,546
Service cost	3,697	2,634
Interest cost	4,536	3,533
Employee contributions	1,170	964
Experience gains and losses on scheme liabilities	(8,171)	8,209
Actuarial (gain)/loss	-	-
Benefits paid	(662)	(878)
Past service cost	-	776
Curtailments and settlements	22	-
Liabilities at end of period	75,376	74,784
Reconciliation of assets		
Assets at start of period	46,691	47,469
Expected return on assets	3,203	3,240
Actuarial (gain)/loss	(7,458)	(6,214)
Employer contributions	2,375	2,110
Employee contributions	1,170	964
Benefits paid	(662)	(878)
Assets at end of period	45,319	46,691

Notes to the Financial Statements

14. PENSION

Local Government Pension Scheme (LGPS)

Analysis of the amount charged to income and expenditure account	2009 £'000	2008 £'000
Employer service cost net of employee contributions	(3,697)	(2,634)
Past service cost	-	(776)
Employer contributions	2,375	2,110
Total operating charge	(1,322)	(1,300)
Analysis of pension finance costs		
Expected return on pension scheme assets	3,203	3,240
Interest on pension liabilities	(4,536)	(3,533)
Net return	(1,333)	(293)
Amount recognised in the statement of total recognised gains and losses (STRGL)		
Actual return less expected return on pension scheme assets	(7,458)	(6,214)
Experience gains and losses arising on the scheme liabilities	-	-
Change in financial and demographic assumptions underlying the scheme liabilities	8,171	(8,209)
Actuarial gain/(loss) recognised in STRGL	713	(14,423)
Movement in deficit during year		
Deficit in scheme at 1 August	(28,093)	(11,987)
Movement in year:		
Current service charge	(3,697)	(2,634)
Contributions	2,375	2,110
Past service cost/gain due to change in scheme benefits	(22)	(776)
Net interest/return on assets	(1,333)	(293)
Actuarial gain/(loss)	713	(14,513)
Deficit in scheme at 31 July	(30,057)	(28,093)

Notes to the Financial Statements

14. PENSION

Local Government Pension Scheme (LGPS)

History of experience gains and losses	2009 £'000	2008 £'000	2007 £'000	2006 £'000	2005 £'000
Difference between the expected & actual return on assets amount	(7,458)	(6,214)	1,086	1,907	(3,599)
% of scheme assets	(16.4%)	(13.3%)	2.3%	4.6%	(10.58%)
Experienced gains and losses on scheme liabilities:	2009 £'000	2008 £'000	2007 £'000	2006 £'000	2005 £'000
Amount	-	(1,001)	-	(1,555)	-
% of scheme liabilities	-	(1.3%)	-	2.9%	-
Total amount recognised in STRGL	713	(14,423)	1,744	(1,697)	(3,599)
Amount					
% of scheme liabilities	0.9%	(19.4%)	2.9%	(3.2%)	(10.58%)

TEACHERS SUPERANNUATION SCHEME

The Teachers Superannuation Scheme is an unfunded defined benefit scheme for academic staff. Contributions on a pay as you go basis are made by the Institution and its employees.

The Teachers Superannuation Scheme is valued every five years in accordance with the advice of the government actuary. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

Latest actuarial valuation	31 March 2007
Actuarial method	Prospective Benefits
Real rate of return in excess of prices	3.5% per annum
Real earnings growth rate*	1.5% per annum
Long term gross rate of return	6.5% per annum
Market value of assets at date of last valuation	£163.24 million

*In addition to increases arising from salary progression, promotion etc

Proportion of present value of accrued liabilities covered by the market value of assets is 98%.

Following the implementation of Teachers Pensions (Employers Supplementary Contributions) Regulations 2000 the government actuary carried out a further review on the level of employers contributions. From 01 January 2007 the employer contribution is 14.1%.

Under definitions set out in Financial Reporting Standard 17 (Retirements Benefits), the TPS is a multi-employer pension scheme. The University is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the University has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme.

Notes to the Financial Statements

UNIVERSITIES SUPERANNUATION SCHEME

The University participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited. USS has over 130,000 active members and the University has five active members participating in the scheme.

Because of the mutual nature of the scheme, the 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 FRS 17 "Retirement Benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

The latest actuarial valuation of the scheme was at 31 March 2008. This was the first valuation for USS under the new scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions.

At the valuation date, the value of the assets of the scheme was £28,842.6m and the value of the scheme's technical provisions was £28,135.3m indicating a surplus of £707.3m. The assets therefore were sufficient to cover 103% of the benefits which had accrued to members allowing for expected future increases in earnings.

The University contribution rate required for future service benefits alone at the date of the valuation was 16% of pensionable salaries and the trustee company, on the advice of the actuary, agreed to increase the University contribution to 16% of pensionable salaries from 1 October 2009.

Since 31 March 2008 global investment markets have continued to fall and at 31 March 2009 the actuary has estimated that the funding level under the new scheme specific funding regime had fallen from 103% to 74%. This estimate is based on the funding level at 31 March 2008, adjusted to reflect the fund's actual investment performance over the year and changes in market conditions (market conditions affect both the valuation rate of interest and also the inflation assumption which in turn impacts on the salary and pension increase assumptions).

On the FRS 17 basis, using an AA bond discount rate of 7.1% per annum based on spot yields, the actuary estimated that the funding level at 31 March 2009 was 86%. An estimate of the funding level measured on a buy-out basis at that date was approximately 46%.

Surpluses or deficits which arise at future valuations may impact on the University's future contribution commitment. A deficit may require additional funding in the form of higher contribution requirements, where a surplus could, perhaps, be used to similarly reduce contribution requirements.

USS is a "last man standing" scheme so that in the event of the insolvency of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participant employers and reflected in the next actuarial valuation of the scheme.

The next formal triennial actuarial valuation is due as at 31 March 2011. The contribution rate will be reviewed as part of each valuation and may be reviewed more frequently.

Notes to the Financial Statements

15. DEFERRED CAPITAL GRANTS	GROUP			PARENT		
	Funding Council £'000	Other Grants £'000	Total £'000	Funding Council £'000	Other Grants £'000	Total £'000
At 1 August 2008						
Buildings	9,997	1,501	11,498	5,421	1,501	6,922
Equipment	59	156	215	59	10	69
Total	10,056	1,657	11,713	5,480	1,511	6,991
Grants received						
Buildings	2,458	-	2,458	2,458	-	2,458
Equipment	-	83	83	-	-	-
Total	2,458	83	2,541	2,458	-	2,458
Released to income and expenditure						
Buildings	272	38	310	179	38	217
Equipment	26	42	68	26	10	36
Total	298	80	378	205	48	253
At 31 July 2009						
Buildings	12,183	1,463	13,646	7,700	1,463	9,163
Equipment	33	197	230	33	-	33
Total	12,216	1,660	13,876	7,733	1,463	9,196

16. REVALUATION RESERVE	GROUP £'000	PARENT £'000
At 1 August 2008	17,322	17,322
Transfer from revaluation reserve to income and expenditure account	(443)	(443)
Revaluation	7,684	6,889
At 31 July 2008	24,563	23,768

17. CAPITAL COMMITMENTS	GROUP AND PARENT	
	2009 £'000	2008 £'000
Contracted at 31 July	5,610	5,798
Authorised but not contracted at 31 July	6,553	10,607

Notes to the Financial Statements

18. RECONCILIATION OF CONSOLIDATED OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES	2009 £'000	2008 £'000
Surplus before tax	5,830	3,222
Depreciation (note 7)	2,725	2,742
Loss on disposal of fixed assets	23	990
Deferred capital grants released to income (note 15)	(378)	(454)
Interest receivable	(149)	(555)
Interest payable	2,734	1,628
Increase in stocks	1	(5)
Increase in debtors	(719)	(336)
Increase in creditors	(89)	1,874
Increase in provisions	(34)	14
Pension cost less contributions payable	1,344	1,300
Net cash inflow from operating activities	11,288	10,420

19. RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	2009 £'000	2008 £'000
Income from short term investments	151	551
Interest paid	(1,397)	(1,350)
Net cash outflow from returns on investments and servicing of financing	(1,246)	(799)

20. CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	2009 £'000	2008 £'000
Tangible assets acquired	(10,974)	(9,699)
Deferred capital grants received (note 15)	2,541	945
Net cash outflow from investing activities	5	-
Net cash outflow from investing activities	(8,428)	(8,754)

Notes to the Financial Statements

21. ANALYSIS OF CHANGES IN CONSOLIDATED FINANCING DURING THE YEAR

	Bank Loans £'000
Balance at 1 August 2007	23,911
Capital repayments	(1,242)
Capital acquired	-
Net amount acquired in year	(1,242)
Balance at 31 July 2008	22,669
Capital repayments	(1,214)
Capital acquired	6,000
Net amount acquired in year	4,786
Balance at 31 July 2009	27,455

22. ANALYSIS OF CHANGES IN NET FUNDS

	Cash at Bank & in hand £'000	Short term Deposits £'000	Debt due within one year £'000	Debt due after one year £'000	Total £'000
As at 1 August 2008	7,457	6,629	(1,241)	(21,428)	(8,583)
Cash	5,304	1,096	1,214	(6,000)	1,614
Other	-	-	(1,204)	1,204	-
As at 31 July 2009	12,761	7,725	(1,231)	(26,224)	(6,969)

Notes to the Financial Statements

23. BURSARY AND HARDSHIP FUNDS

Access funds	2009 £'000	2008 £'000
Balance at 1 August	8	40
Funding council grants	533	587
Interest earned	2	9
	543	636
Admin fee	(16)	(18)
Disbursed to Students	(471)	(610)
Balance at 31 July	56	8
Foundation bursaries	2009 £'000	2008 £'000
Balance at 1 August	167	171
Grants	-	-
Disbursed to students	-	(4)
Balance at 31 July	167	167
Health hardship fund	2009 £'000	2008 £'000
Balance at 1 August	1	15
Grants	-	-
Disbursed to students	(1)	(14)
Balance at 31 July	-	1
Secondary shortage subject bursaries	2009 £'000	2008 £'000
Balance at 1 August	27	44
Grants	23	148
Disbursed to students	(34)	(165)
Balance at 31 July	16	27
SAS Bursaries	2009 £'000	2008 £'000
Balance at 1 August	314	315
Grants	162	121
Disbursed to students	(242)	(122)
Balance at 31 July	234	314

Notes to the Financial Statements

23. BURSARY AND HARDSHIP FUNDS

HEFCE Further Education Bursaries	2009	2008
	£'000	£'000
Balance at 1 August	17	-
Grants	503	211
Disbursed to students	(455)	(194)
Balance at 31 July	65	17

Teacher training bursaries	2009	2008
	£'000	£'000
Balance at 1 August	1,232	1,233
Grants	4,219	4,607
Disbursed to students	(5,061)	(4,608)
Balance at 31 July	390	1,232

Funds provided by the TDA were used only in accordance with the provision of the Education Act 1994 (as amended by the Education Act 2005), the financial memorandum, and all other terms and conditions that the TDA has set.

Early years bursaries	2009	2008
	£'000	£'000
Balance at 1 August	(28)	8
Grants	232	175
Disbursed to students	(223)	(211)
Balance at 31 July	(19)	(28)

24. RELATED PARTY TRANSACTIONS

Due to the nature of the Institution's operations and the composition of the Board (Members being drawn from local public and private sector organisations) it is inevitable that transactions will take place with organisations in which a Member of the Board may have an interest. All transactions involving organisations in which a Member may have an interest are conducted at arm's length and in accordance with the financial regulations of the Board and normal procurement procedures. No transactions were identified which are required to be disclosed under Financial Reporting Standard 8 – Related Party Disclosures.

25. ULTIMATE PARENT ORGANISATION

The Board of Governors regard Edge Hill University as the ultimate parent organisation. Copies of the Group Accounts may be obtained from the Pro Vice-Chancellor (Resources), Edge Hill University, St.Helens Road, Ormskirk, Lancashire L39 4QP.