Principal officers

Visitor
Her Majesty The Queen

Chancellor
Sanjeev Bhaskar OBE

Chair of Council
Simon Fanshawe

Treasurer
Consuelo Brooke

Vice-Chancellor
Professor Michael Farthing

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Professor Paul Layzell

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Professor Robert Allison

Professor Chris Marlin

Professor Joanne Wright

Registrar and Secretary
John Duffy

Director of Finance
Allan Spencer

Contents

Operating and Financial Review

The University of Sussex is a leading higher education institution based at Falmer near Brighton, dedicated to excellent academic achievement across a broad range of disciplines. We are research intensive, engaged in delivering individual and thematic research and intellectually demanding, research-led teaching. We are committed to financial sustainability, which is essential for the continuing successful development of the University.

Scope of the finance statements and this report

he nan al tate ents for the rou o r se the onsol ate results of the n ers ty an ts su s ar es, h h un erta e a t t es that for le al, o er al or ta at on reasons are ore a ro r ately un erta en throu h a l te o any he r n al tra n su s ar es onsol ate n the a ounts are usse nno at on entre l e elo ent te , usse nno at on entre l ana e ent te , , n ers ty of usse ntelle tual ro erty te an ast lo e ous n te , ote to the a ounts sets out the full eta ls of all the o an es n . h h the n ers ty o ns shares n a t on the n ers ty has a a or share n the r hton an usse l e al hool l , h h s a ounte for as a o nt enture a or n to nan al Re ort n tan ar R as eta le n ote 1

h s state ent s ra n u n a or an e th the ount n tan ar s oar s *Reporting Standard: Operating and Financial Review* an see s to set the f nan al results n the onte t of the n ers ty s strate y an o erat ons

Results for the year

he rou onsol ate n o e an e en ture ross n lu n o nt enture n o e an e en ture, s n e the e al s hool s a ore art of our a a e a t t es an results after ta at on for the year en e 1 uly 200 are su ar se as follo s

	2008/09 £m	200 0 £
n o e	158.6	14
e n ture	160.3	1
l ef t ur lus for the year efore s osal of assets	(1.7)	
l ef t ur lus for the year after s osal of assets	(1.6)	10

he n ers ty s total n o e rose y o are th the re ous year

th n th s, total re urrent rants fro fun n oun ls ere al ost stat an thus fa le to ee a e th nflat on of osts Re urrent rant fro the her u at on un n oun l for n lan fell sl htly n ash ter s at the en of a er o of rote t on for the n ers ty s loss of resear h fun n ue to a han e n allo at on as s n earl er years

a or art of our strate y s to n rease an ers fy the n ers ty s n o e ase he a l at on of the ne ar a le fee re e to our ourses lon er than three years, su h as e al an s en e four year un er ra uate ro ra es, ontr ute an n rease of aroun £1 ll on n fee n o e

onsol at on of the n ers ty s re utat on for nternat onal e ellen e n oth staff an stu ent ase s a ey art of n o e ers f at on h s has alrea y enerate a el o e £ ll on n rease n nternat onal stu ent fees, a a or o onent of the n rease n turno er lar e ontr ut on to th s n rease as the se on year s nta e fro the nternat onal tu y entre, o erate y a th r arty on the al er a us as a foun at on year for entry for stu ents eet n our a a e entry r ter a to a nstrea e ree ro ra es at usse he n ers ty lans s a a or e ans on n these areas throu h urr ulu e elo ent an ntens e re ru t ent effort n oth su e t areas an ar ets

further ey nst tut onal o e t e s to ensure that the n ers ty s resear h olu e an ual ty ro es ont nue su ess th Resear h oun ls an n the ne uro ean o ss on ra e or ro ra es s e onstrate y ro th n n o e fro Resear h rants an ontra ts

ay osts n rease as a result of nat onally a ree ost of l n r ses an the a t of the lo al le entat on of the se tor e ra e or ree ent throu h a ne un f e ay an ra n stru ture h s as o oun e y an n rease n ens on osts as returns fro n est ents of the lo al self a n stere trust s he e for non a a e staff fa le to eet e e tat ons n a year of tur o l n lo al f nan al ar ets hese ere a or fa tors n the n rease n a r se of 10 n total e en ture efore e e t onal f nan e osts, fro £1 ll on to £1 4 ll on n rease resear h a t ty an n rease s en on e u ent an onsu a les to ensure e ro e f t for ur ose resear h an tea h n en ron ents also ontr ute ollo n le entat on of a ol y to ensure that ro erty a ntenan e fun s are s ent on lar er refur sh ent ro e ts, u h of our e en ture n th s area lea s to on o n useful l es for the ro ert es an has therefore een a tal se h s has re u e the osts of ro erty a ntenan e n the n o e an e en ture a ount

Operating and Financial Review (continued)

he onsol ate ash lo tate ent sho s ontnue goo ro e ent n the n ers ty s ash resour es he n ers ty generate nearly £11 ll on of ash fro o eratng a t t es after nterest osts, n este so e £ ll on of th s n o n fun e a tal e elo ents an re o n £ 4 ll on of net loan fun ng h s as a h e e h le n reasng short ter an o ern ht ash reser es less o er rafts at 1 uly 200 y so e £10 4 ll on an h le ro ng the net urrent assets os t on of the n ers ty ash alan es ll fall o er the e u ter as the oney o tte n the a tal ro ra e s s ent th the fnan ng n la e an areful ana e ent of o erat onal erfor an e, the n ers ty re a ns n a strong ash os t on

Pension funding

he n ers ty fully a o ts the R 1 Ret re ent enef ts treat ent of ens on osts an assets l a l t es he n ers ty s n ol e n three a or ens on arrang e ents h h all arry fferent a ount ng treat ents un er the a ount ng stan ar he eta l s set out n note 14

olat l ty n annual alan e sheet alues of ens on ef ts has een a feature of ef ne enef t s he es n h h the assets an l a l t es an e se arate n our ase th the n ers ty of usse ens on an ssuran e he e h s year the olat l ty e er en e has een less than n ast years the net ens on l a l ty for has fallen sl htly fro £ 4 ll on at 1 uly 200 to £ 4 ll on ut th s s after an a t onal £1 ll on harge to the n o e an en ture ount refle tng n est ent un er erfor an e n the year

ollo ng the a tuar al aluat on of the s he e at 1 l ar h 200 the n ers ty agree a Re o ery lan th the rustees h h as a e te n to er 200 y he ens on Regulator h h n lu es re ayng the ef t o er a er o of 20 years fro 1 ugust 200 throu h n rease e loyer ontr ut ons an ay ents nto an es ro a ount an su se uently nto the fun shoul n est ents returns fa l to at h assu t ons n the Re o ery lan en erfor an e of fnan al ar ets o er the last year t ll not e sur r sng that the n ers ty has een re u re to a e the rele ant ont ngen y ontr ut ons h h effe t ely n rease the ash ontr ut ons to the s he e to a o ne ast an future ser e ost of 2 2 of salar es ollo ng the a tuar al re aluat on at 1 l ar h 200 hen e u ty asset alues ere at a lo o nt n re ent t es, the Re o ery lan ll re u re re s on to ta e a ount of an n rease ef t

s a result of the n rease n ash ontr ut ons an n the l ht of e e te ont nue n reases n ost n future, the n ers ty re e e enef ts an osts of the s he e an follo ng onsultat ons th the ra e n ons, the s he e as lose to ne entrants on the n ers ty after 1 r l 200 an the n ers ty o ene a ne ef ne ontr ut on ens on s he e th assuran e enef ts on 1 r l 200

n a t on, the n ers ty has o l gat ons to the nat onal a a e an a a e relate staff s he e, h h are treate un er a ount ng rules as a ef ne ontr ut on s he e, an therefore o not affe t the n ers ty s reser e os t on s note a o e, e loyer ontr ut ons ll r se y 2 n to er 200 th no guarantee that further r ses ll not e re u re ens on osts re a n a huge on ern for the n ers ty, as for the se tor an the er e ono y as a hole he n ers ty s layng an a t e role n the loyers ens ons oru n ers t es an olleges loyers sso at on re e of ens ons h s grou s see ng to ensure the affor a l ty an susta na l ty of s he e an ll a e ro osals on future osts an enef ts

Reserves and financial performance

he nor re u t on n l a l ty on the s he e offset to an e tent the ef t for the year, an the n ers ty s n o e an en ture ount s a ery o est os t e at £0 ll on otal fun s ha e r sen to £ 1 ll on at 1 uly 200 ue r n ally to net n reases n eferre a tal grants

he oun l on tors erfor an e of the nst tut on throu h a set of ey erfor an e n ators s an r s on torng at ea h eetng s an r s easure ent an t gat on are s e f ally al gne to the n ers ty s o e t es as set out n our lan *Making the future* n art ular, erfor an e s easure a ross a alan e range of targets h h n lu e fnan al an non fnan al easures he n ers ty targets n art ular, a or gro th n oth nternat onal fee ayng stu ents an n resear h n o e an ontr ut on y 201 hese are hallengng targets en the otent al ontra t on of go ern ent s en ng h h ay ell affe t the uantu of resear h fun ng a a la le n the other han the n ers ty s a ressng th s gro th not y n re ental ro e ent ut y targete an fo use ro e ts, an the n t al s gns fro lans le ente to ate ont nue to e en ourag ng

Future outlook

h s ont nues to e a t e of a or hange n gher u at on er o of n reasng n o e throu h the ull ono ost re g e for fun ng resear h grants an ontra ts fro u l s onsors, the ntro u t on of the ne un ergra uate fee re g e an s gn f ant u l a tal fun ng strea s s ely e e te to e su ee e shortly y a ore ff ult er o as u l fnan es are un er threat ue to the after ath of the an ng r s s an the re ess on of the last year h h s st ll not une u o ally en ng en urng the er o of n reasng n o e a a la le to h gher e u at on nst tut ons, ost ressures fro re ent ay eals, the osts asso ate th the ra e or gree ent har on s ng staff ay an on t ons an the r s ng osts of ens on ro s on ere ero ng the enef ts of h gher re enue he n ers ty has a ntang e ts os t on relat e to the se tor n the Resear h ssess ent er se 200 onfr ng t as a a or nternat onal resear h n ers ty, ut as note elo th s has not een follo e y fnan al gn as lo grant for resear h at usse ll fall n 200 10 n the e ate future usse fa es ontnue losses as a result of hang ng ol y on fundng stu ents ho ha e a n ers ty ual f at on stu yng for ost e u alent or lo er le el egrees an re u t ons n grant fundng throug h resear h lo grant as a result of the Resear h ssess ent er se 200 an ue to se tor e re u t ons n tea hngg rants for 200 10 hese are se ere set a s to h h the nst tut on ust res on to these urrent se tor e re e s of resear h ost e ghtng an tea hng an ng an onsultat on on hangng areas of tea hng fundng an t an rea ly e a re ate that th s s learly a e l nnng fundng en ron ent

urther re u t ons n re enue an a tal fundng are thus ore than l ely an urrent lannng ust atte t the ff ult tas of ant at ng l ely uts n fundng e ll see to a ust our ost ase n a ay h h lea es us n a strong os t on to o e for ar on our ore a t t es

ress ng se tor e an lo al r s s an o ortun t es has een at the heart of the ne strateg s on e ng e elo e un er the e han ellor nto the *Making the future* for the er o to 201 u l she n anuary 200 he n ers ty has reorgan se fro ugust 200 nto t el e s hools an has n este s g n f antly n a a e lea ersh an anag e ent an restru ture ts rofess onal ser es su ort to ro e l nes of o un at on an ser e el ery h le a e t ng that there ll e ele ents of ontra t on o er the near future fro re u t ons alrea y ose an e e te n future the n ers ty ha al ays a e te that there oul e a er o of lo er f nan al erfor an e n 200 10 an 2010 11 h le gro th lans too effe t he n rease ressure on fundng eans that th s er o ll re u re e en ore r gorous e a nat on of osts an out uts e ertheless u h of the a a e gro th outl ne n *Making the future* s st ll el era le an ll offset so e of the ressures else here n future years

here lans are n la e the n ers ty has n or orate ele ents of gro th on a ru ent as s n ts u gets an fore asts for the o ng years ro e t anag e ent s l nes an ro ust s rut ny an a t on on rog ress ll ensure that anag e ent an go ernan e th the n ers ty ll tra the su ess of these n t at es urther ele ents of the gro th ag en a ll e n or orate nto lans an u gets as they are assesse an a ro e he ore us ness lan s a e y a s g n f ant a tal n est ent rog ra e h s s therefore a t e oth of halleng e an of o t s as usse u l s on a os t on of

Corporate Governance

The University is committed to exhibiting best practice in all aspects of corporate governance, including full compliance with the key recommendations of the Committee of University Chairmen (CUC[t)10 G.ph0S3 gsrvemo1C0(f t)mit(t)30(t)1P od t0(g)10(t)0 Gcmmite, inin TjTeyt -1.14yt (i)989Divitne,pohehe()0 Gcons

Summary of the University's structure of corporate governance

he n ers ty s an n e en ent or orate o y hose le al status er es fro a Royal harter ts o e ts o ers an fra e or of o ernan e are set out n the harter an su ort n tatutes

he harter an tatutes esta l sh three se arate o es ea h th learly ef ne fun t ons an res ons l t es to an a e an o ersee the n ers ty s a t t es

Council s the o ern n o y of the n ers ty res ons le for sett n the eneral strate re t on of the nst tut on for ensur n ro er a ounta l ty an for the an a e ent of ts f nan es ro erty an n est ents an the eneral us ness of the n ers ty

oun l o rses n e en ent a a e an stu ent e ers a o nte un er the tatutes of the n ers ty the a or ty of ho are non e e ut e he roles of har an e har of the oun l are se arate fro the role of the n ers ty s h ef e ut e the e han ellor

Senate s the a a e author ty of the n ers ty an ra s ts e ersh ent rely fro the staff an stu ents of the n ers ty ts r n al role s to re t an re ulate the tea h n an resear h of the n ers ty thou h ts re t also n lu es the s uss on of any atter relat n to the n ers ty an t offers o ents to the oun l on a e ran e of atters

Court s r ar ly a o y for re resentat es t offers a eans here y the er nterests ser e y the n ers ty an e asso ate th the nst tut on an ro es a u l foru here e ers of ourt an ra se atters a out the n ers ty ourt eets on e a year to re e e the nnual Re ort an nan al tate ents n a t on t s res ons le for ele t n the n ers ty s han ellor

he a or ty of the e ers of ourt are fro outs e the n ers ty re resent n the lo al o un ty an other es nate o es th an nterest n the or of the n ers ty

Council has a e ersh of 2 hese are the e han ellor l e uty e han ellor s n e en ent e ers ele te y ourt n ne n e en ent e ers a o nte y oun l four a a e e ers of the enate t o other e ers of the a a e staff one e er of the non a a e staff an the res ent of the tu ents n on t eets at least three t es a year an has s o ttees an t o o nt o ttees he atters s e ally reser e to oun l for e s on are set out n a l st s e f ally a ro e y oun l y ts o n e s on an un er the han al l e oran u th the her u at on un n oun l for n lan oun l hol s to tself the res ons l t es for the on o n strate re t on of the n ers ty the on tor n of nst tut onal effe t eness an a ro al of a or e elo ents t re e es re ular re orts fro the e ut e ff ers on the ay to ay o erat ons of ts us ness an ts su s ary o an es

he har e har an reasurer are a o nte fro a on st the n e en ent e ers

Strategy and Resources Committee R s a o nt o ttee of oun l an enate h h o ersees all as e ts of resour e allo at on f nan al lann n rs an a e ent staff n atters an estate an a e ent t s res ons le n art ular for a s n oun l on the o erall f nan al strate y treasury an n est ent atters strate a tal n est ent an the u etary syste t ons ers atters su h as eta le annual u ets an f nan al fore asts treasury an a e ent ol y ur has n ol y staff n ol es rout ne han es of tu t on fees the sett n of stu ent rents an a tal ro e ts

t has four su o ttees hys al Resour es o ttee res ons le for the hys al lann n an en ron ental as e ts of the n ers ty a us u an Resour es o ttee res ons le for a s n the arent o ttee on the hu an resour es strate y staff n ol es an staff ter s an on t ons of e loy ent an for eneral atters of staff an a e ent n lu n e ual o ortun t es a ra sal an re ar staff e elo ent an e loyer e loyee relat ons l nfor at on er es o ttee res ons le for o ersee n the l rary an nfor at on ser es strate y l an holarsh s ursar es an ar s o ttee res ons le for o ersee n ol y on the a ar of ursar es an s holarsh s R also re e es re orts fro enate o ttees on Resear h an ea h n an earn n ons er n the n the for ulat on of strate y an ol y as a ro r ate

The risk and control framework

he follo ro esses ha e een esta l she

- oun l eets at least three t es throu h the year to on s er the la s an strate re t on of the n ers ty
- oun l re u res re ular re orts fro an a ers on the ste s they are ta n to an a e r s s n the r areas of res ons l ty n lu n ro ress re orts on ey ro e ts
- oun l re e es er o re orts fro the ha r of the u t o ttee on ern n nternal ontrol an re e es o es of the nutes of all u t o ttee eet n s
- u t o ttee eets four t es a year an re e es re ular re orts fro nternal u t h h n lu e nternal u t s n e en ent o n on on the a e ua y an

Council is responsible for ensuring the proper maintenance of accounting records and the preparation of financial statements that give a true and fair view of the state of affairs of the University in accordance with the University's Charter and Statutes, the Statement of Recommended Practice: Accounting for Further and Higher Education Institutions (dated June 2007), other relevant accounting and financial reporting standards and, within the terms and conditions of a financial memorandum agreed between HEFCE and Council of the University.

In causing the financial statements to be prepared, Council, through its senior officers and the Strategy and Resources and Audit Committees, is required to ensure that:

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

Council has taken reasonable steps, through its senior officers and Audit Committee to:

- ensure that funds from HEFCE 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;

Independent Auditors' Report to the Council of the University of Sussex

We have audited the Group and University financial statements (the 'financial statements') of the University of Sussex for the year ended 31 July 2009 which comprise the primary statements such as the Group Income and Expenditure Account, the Group and University Balance Sheets, the Group Cash Flow Statement, the Group statement of total recognised gains and losses and the related notes. These financial statements have been prepared under the historical cost convention and in accordance with the accounting policies set out therein.

h s re ort s a e solely to the ou l, a or a e th the harter a tatutes of the ers ty ur au t or has ee u erta e so that e ht state to the ou l those atters e are re u re to state to t a au tor s re ort a for o other ur ose o the fullest e te t er tte y la e o ot a e t or assu e res o s lty to a yo e other tha the ou l, for our au t or for th s re ort, or for the o o s e ha e for e

Respective responsibilities of the University's Council / Board of Governors and Auditors

he ers ty ou l s res o s l tes for re ar the reasurer s Re ort a the f a al state e ts a or a e th the ou ts l re t o ssue y the her u at o u ou l for la the tate e t of Re o e e ra t e ou t for urther a her u at o a l a le la a ou t ta ar s e erally e te ou t ra t e are set out the tate e t of Res o s l tes o a e

ur res o s l ty s to au t the f a al state e ts a or a e th rele a t le al a re ulatory re u re e ts a ter at o al ta ar s o u t a rela e re ort to you our o o as to hether the f a al state e ts e a true a fa r e a are ro erly re are a or a e th the tate e t of Re o e e ra t e ou t for urther a her u at o e also re ort to you hether o e fro fu o es ra ts a o e for s e f ur oses a fro other restr te fu s a stere y the ers ty ha e ee ro erly a le o ly for the ur oses for h h they ere re e e a hether, all ater al res e ts, o e has ee a le a or a e th the tatutes a here a ro r ate th the a al l e ora u th the her u at o u ou l for la a the a al l e ora u th the ra a l e elo e t e y for hools e also re ort to you hether our o o the erat a a al Re e s ot o s ste t th the f a al state e ts

a t o e re ort to you f, our o o , the ers ty has ot e t ro er a ou t re or s, or f e ha e ot re e e all the for at o a e la at o s e re u re for our au t e rea the erat a a al Re e a the or orate o er a e tate e t a o s er the l at o s for our re ort f e e o e a are of a y a are t sstate e ts th the or ater al o s ste es th the f a al state e ts

Basis of opinion

e o u te our au t a or a e th ter at o al ta ar s o u t a rela ssue y the u t ra t es oar a the u t o e of ra t e ssue y the her u at o u ou l for la a au t lu es e a at o , o a test as s, of e e e rele a t to the a ou ts a s losures the f a al state e ts t also lu es a assess e t of the s f a t est ates a u e ts a e y the ers ty s ou l oar of o er ors the re arat o of the f a al state e ts a of hether the a ou t ol es are a ro r ate to the rou a ers ty s r u sta es, o s ste tly a le a a e uately s lose

e la e a erfor e our au t so as to o ta all the for at o a e la at o s h h e o s ere e essary or er to ro e us th suff e t e e e to e reaso a le assura e that the f a al state e ts are free fro ater al sstate e t, hether ause y frau or other rre ular ty or error for o ur o o e also e aluate the o erall a e ua y of the rese tat o of for at o the f a al state e ts

Opinion

our o o

the f a al state e ts e a true a fa r e a or a e th e erally e te ou t ra t e, of the state of the rou a the ers ty s affa rs as at 1 uly 200 a of the rou s ef t of e e ture o er o e for the year the e e

the f a al state e ts ha e ee ro erly re are a or a e th the tate e t of Re o e e ra t e ou t for urther a her u at o

all ater al res e ts, o e fro the her u at o u ou l for la , the ra a l e elo e t e y for hools, ra ts a o e for s e f ur oses a fro other restr te fu s a stere y the ers ty ur the year e e 1 uly 200 ha e ee a le for the ur oses for h h they ere re e e a

all ater al res e ts, o e ur the year e e 1 uly 200 has ee a le a or a e th the ers ty s statutes a here a ro r ate th the a al l e ora u th the her u at o u ou l for la , the a al l e ora u th the ra a l e elo e t e y for hools

Chris Wilson 2 o e er 200

or a o ehalf of l tatutory u tor

hartere ou ta ts
1 orest ate r hto Roa
ra ley est usse
R 11

	ote	2009 £'000	200 £ 000
Income			
un n oun l rants	1 1	**56,932**	,2 2
a e fees an su ort rants	1 2	**42,177**	4, 2
Resear h rants an ontra ts	1	**28,613**	2 , 41
ther o eratn n o e	1 4	**30,043**	2 ,40
n o e t n o e an nterest re e a le	1	**869**	
otal n o e rou an share of o n t entures		**158,634**	14 , 1
ess hare of o n t entures n o e	1	**(8,808)**	,20
Group income		**149,826**	1 ,112
Expenditure			
taff osts	2 1	**86,947**	, 4
e re at on	2 4	**7,830**	, 2
ther o eratn e enses	2	**54,632**	4 ,
nterest aya le	2 2	**5,214**	, 2
e t onal n an e osts	20	**5,773**	
otal e en ture rou an share of o n t entures		**160,396**	1 , 44
ess hare of o n t entures e en ture	1	**(8,633)**	, 0
Group expenditure		**151,763**	1 2, 4
rou ef t sur lus on ontnun o erat ons after e re at on of f e assets at ost an efore ta		**(1,937)**	4,22
ur lus on s osal of assets		**142**	, 2
rou ef t sur lus on ontnun o erat ons after e re at on of f e assets an s osal of assets at ost ut efore ta		**(1,795)**	,
hare of sur lus n o n t enture	1	**175**	1,24

	Note	200 £ 000	200 £ 000
Fixed assets			
Tangible assets		**129,059**	12 ,2
Investment	4	**396**	4 1
Endowment investments		**4,589**	4,
Current assets			
Stocks		**242**	2
Debtors		**15,759**	12,
Investments	14	**27,270**	1 , 44
Cash at bank and in hand		**-**	42
		43,271	2,0
Creditors: amounts falling due within one year			

	Note	2009	200
		£'000	£ 000
et ash flo fro o erat a t t es	11 1	**13,472**	2, 0
Retur s o est e ts a ser of f a e	11 2	**(2,584)**	1,

Statement of Principal Accounting Policies

1. Basis of preparation

hese fnan al state ents ha e een re are n a or an e th the tate ent of Re o en e ra t e R ount n urther an her u at on nst tut ons 200 an n a or an e th a l a le ount n tan ar s hey onfor to u an e u l she y the her u at on un n oun l

2. Basis of accounting

he fnan al state ents are re are un er the h stor al ost on ent on o f e for the aluat on of n o ent sset n est ents an e sset n est ents

3. Basis of consolidation

he onsol ate fnan al state ents n lu e the fnan al state ents of the n ers ty an ts su s ary un erta n s for the fnan al year to 1 uly 200 hese are usse nno at on entre l e elo ent te ast lo e ous n te n ers ty of usse ntelle tual ro erty te an usse nno at on entre l ana e ent te he results of the tu ents n on are not onsol ate e ause t s an n e en ent asso at on th se arate ontrol

4. Recognition of income

Funding Council Grants are a ounte for n the er o to h h they relate

Tuition Fee n o e s re te to the n o e an e en ture a ount n the year n h h stu ents are stu yn ursar es an s holarsh s are a ounte for as e en ture an not e u te fro n o e

Research grants, contracts and other services rendered are a ounte for on an a ruals as s an n lu e to the e tent of the o let on of the ontra t or ser e on erne any ay ents re e e n a an e of su h erfor an e are re o n se on the alan e sheet as eferre n o e th n re tors

Capital Grants re e e n res e t of the a u s t on or onstru t on of f e assets are re te to eferre a tal rants n the alan e sheet an are release to the n o e an e en ture a ount o er the useful e ono l fe of the asset for h h the rant as a ar e

Sale of goods re e ts are re te to the n o e an e en ture a ount hen the oo s are su l e to the usto ers or the ter s of the ontra t ha e een sat sf e

Endowment and investment income s re te to the n o e an e en ture a ount on a re e a le as s n o e fro restr te en o ents not e en e n a or an e th the restr t ons of the en o ent s transferre fro the n o e an e en ture a ount to restr te en o ents ny real se a ns or losses fro eal n n the relate assets are reta ne th n the en o ent n the alan e sheet

Revaluation Surplus on f e asset n est ents s re te to the re aluat on reser e a the state ent of total re o n se a ns an losses a nut on n alue s har e to the n o e an e en ture a ount as a e t to the e tent that t e ee s a re ous re aluat on sur lus

n reases or e reases n alue ars n on the re aluat on or s osal of en o ent assets s a ounte for y e t n or re t n the en o ent asset re t n or e t n the en o ent fun an s re orte n the state ent of total re o n se a ns an losses

5. Charitable Donations

nrestr te onat ons are those th no restr t ons on the r a l at on here there s also no re u re ent for the r a tal to e a ntane they are re te to the n o e an e en ture a ount hen re e e nrestr te onat ons hose a tal ust e a ntane are re te to er anent unrestr te en o ents n the alan e sheet

Restr te onat ons are those h h ust e a l e to a s e f ur ose here there s no re u re ent for a tal to e a nta ne a restr te onat on s re te to e en a le restr te en o ents n the alan e sheet an then release to the n o e an e en ture a ount to at h e en ture n urre n eet n the o e t es set out y the onor o e er f the onat on s to e a l e to the a u s t on or onstru t on of a f e asset t s re te to eferre a tal rants an release to the n o e an e en ture a ount o er the useful e ono l fe of the asset h h t has fun e restr te onat on hose a tal ust e a ntane s re te to er anent restr te en o ents

6. Agency Arrangements

un s h h the nst tut on re e es an s urses as ayn a ent on ehalf of a fun n o y are e lu e fro the n o e an e en ture of the nst tut on here the nst tut on s e ose to n al r s or en oys n al e ono enef t relate to the transa t on

7. Leases and Hire Purchase Contracts

osts n res e t of o erat n leases are har e on a stra ht l ne as s o er the lease ter

nan e leases h h su stant ally transfer all the enef ts an r s s of o nersh of an asset to the nst tut on are treate as f the asset ha een ur hase outr ht he assets are n lu e n f e assets an the a tal ele ents of the leas n o t ents are sho n as o l at ons un er fnan e leases he lease rentals are treate as ons st n of a tal an nterest ele ents he a tal ele ent s a l e n or er to re u e outstan n o l at ons an the nterest ele ent s har e to the n o e an e en ture a ount n ro ort on to the re u n a tal ele ent outstan n ssets hel un er fnan e leases are e re ate o er the shorter of the lease ter or the useful e ono l es of e u alent o ne assets

8. Taxation

he n ers ty s an e e t har ty th n the ean n of he ule 2 of the har t es t 1 an as su h s a har ty th n the ean n of e t on 0 1 of the n o e an or orat on a es t 1 or n ly the n ers ty s otent ally e t fro ta at on n res e t of n o e or a tal a ns re e e th n ate or es o ere y e t on 0 of the n o e an or orat on a es t 1 or e t on 2 of the a at on of har ea le a ns t 1 2 to the e tent that su h n o e or a ns are a l e to e lus ely har ta le ur oses

13. Investments

ste ɳ est eɳts hel as f e assets or eɳ o eɳt assets are sho ɳ at ar et alue ɳ est eɳts ɳ su s ary uɳ erta ɳ s are sho ɳ at the lo er of ost or ɳet real sa le alue, aɳ ɳ est eɳts ɳ o ɳt eɳtures are sho ɳ ɳ the oɳsol ate ala ɳ e sheet at attr uta le share of ɳet assets

urreɳt asset ɳ est eɳts, h h ay ɳ lu e l ste ɳ est eɳts, are sho ɳ at the lo er of ost aɳ ɳet real sa le alue

14. Stocks

to s alue at the lo er of ost aɳ ɳet real sa le alue

15. Cash flows and liquid resources

ash flo s o r se ɳ reases or e reases ɳ ash ash ɳ lu es ash ɳ haɳ , ash at aɳ , aɳ e os ts re aya le oɳ e aɳ l e os ts are re aya le oɳ e aɳ f they are a a la le th ɳ 24 hours thout eɳalty o other ɳ est eɳts, ho e er l u , are ɳ lu e as ash

u resour es o r se assets hel as rea ly s osa le store of alue hey ɳ lu e ter e os ts, o erɳ eɳt se ur t es aɳ loaɳ sto hel as art of the ɳst tut oɳ s treasury aɳa e eɳt a t t es hey e lu e aɳy su h assets hel as eɳ o eɳt asset ɳ est eɳts

16. Provisions

Notes to the Financial Statements

NOTE 1 Income

1.1 Funding council grants	2009 £'000	200 £ 000
Recurrent grant		
rant t	48,921	4 ,0 2
ra n an l e elo ent en y or hools l	1,777	1,
Specific grant		
ther	3,560	2, 0
l eferre a tal rants release n year		
u l n s	1,659	1,
u ent	1,015	1,11
	56,932	,2 2

1.2 Tuition fees and education contracts		
ull t e stu ents	24,120	20,2 0
ull t e stu ents nternat onal	13,855	10, 42
art t e an other	2,992	2,
Resear h tra n n su ort rants	169	1 4
hort ourses	1,041	0
	42,177	4, 2

1.3 Research grants and contracts		
Resear h oun ls	17,010	1 , 1
ase har t es	3,638	,21
uro ean o ss on	3,713	,0
ther rants an ontra ts	3,585	,
Releases fro eferre a tal rants	667	
	28,613	2 , 41

1.4 Other operating income		
Res en es, ater n an other o erat ons	16,023	14, 2
ther ser es ren ere	1,974	2,2
ther n o e		
eneral a a e ser es	2,716	2, 0
rants	1,331	1, 22
taff an stu ent ser es	1,291	1,1
entral a n strat e	4,672	1, 2
ther	1,961	2, 0
Releases fro eferre a tal rants	75	
	30,043	2 ,40

1.5 Endowment income and interest receivable		
ransferre fro en o ents ote 1	329	1
n o e fro short ter n est ents	540	4 0
	869	

NOTE 2 Expenditure (continued)

2.3 Other operating expenses

	2009 £'000	200 £ 000
Res en es ater an other o erat on s	7,685	,4
on su a le an la oratory e en ture	12,220	10,
oo s an er o als	2,008	1,
ello sh s, s holarsh s an r es	2,983	2,4
eat, l ht, ater an o er	2,557	2,0
Re a rs an eneral a nten an e	2,137	4, 0
Resear h ran ts an on tra ts	9,443	,0
u tors re un erat on	62	
u tors re un erat on n res e t of non au t ser es	47	1
u ent	2,470	1,44
a e ser es	441	4 1
taff an stu ent	1,246	
eneral e u at on	6,319	4, 4
entral a n strat on an ser es	2,023	1,
re ses other osts	2,216	2,1
ther e en ses	775	4
	54,632	4 ,

n lu es £ 0,2 4 n res e t of the n ers ty 200 £ , 2

2.4 Analysis of expenditure by activity

	taff osts	e re at on	ther o erat n e en ses	nterest aya le	e t onal f nan e osts	Total 2009	otal 200
	£ 000	£ 000	£ 000	£ 000	£ 000	£'000	£ 000
hools	4 ,	, 1	,			61,190	,
a e ser es	,	12	, 44			10,439	, 0
Resear h ran ts on tra ts	10,	1,004	,1 4			20,867	20,122
Res en es, ater n an other o erat on s	4,4	1,2	,	2,4 2		15,950	14, 1
re ses	,4 0	4	,00			10,959	12, 1
n strat on	,	2	2,0			10,547	,0
ther e en ses	,	1	14, 2	2, 2	,	30,434	1 , 2

139,4 TJET/GS3 gs/GS2 gsqBT/F0 1 Tf10 0 0 10 5065344 256.25.497m0 Tr/CS0 cs 1 scn-0.006 Tc0 Tw(9, o123d03 c

NOTE 6 Endowment investments

	Consolidated		University	
	2009	200	**2009**	200
	£'000	£ 000	**£'000**	£ 000
, t 1 , u ust	**4,895**	,2	**4,895**	,2
et a , t oɳs	**210**	4	**210**	4
, , re at oɳ , e re at oɳ	**(516)**	4	**(516)**	4
At 31 July	**4,589**	4,	**4,589**	4,
e ɳterest sto s	**132**	1 0	**132**	1 0
u t es	**3,504**	, 2	**3,504**	, 2
ash , alaɳ es	**953**		**953**	
Total endowment asset investments	**4,589**	4,	**4,589**	4,

ɳ, α eɳt uɳ, ɳ est eɳts of £4 200 , £4 at ar , 1 0alu 0 0 10 2 44 u 0 04 1sy4 e 2 t l s 0 1

NOTE 9 Creditors: amounts falling due after more than one year (continued)

ounts re aya le n res e t of an loans outstan n at 1 uly 200 ay e analyse as follo s

Lender	ear loan obtained	ear of final repayment	Interest	Balance 2009 £'000	Balance 2008 £'000
University					
ll e r sh an	200	202	ar a le	-	11, 42
ar lays an	200	201	e	**7,598**	,4
ar lays an	1	201	ar a le	**2,375**	2, 2
ar lays an	200	20 1	e	**27,865**	,000
	1	201	ar a le	**1,750**	2,000
	1 2	2012	ar a le	**142**	22
	1 1	2011	ar a le	**59**	
				39,789	,0
Subsidiary company					
ar lays an	2004	2022	e	**2,016**	2,11
ar lays an	2000	2010	ar a le	**9**	1
				41,814	,1
ue th n one year				**727**	2, 1
ue et een one an f e years				**2,559**	,
ue n f e years or ore				**38,528**	2 ,2
				41,814	,1

t 1 uly 200 the n ers ty as o tte to refinan n t o loans th a o ne alan e outstan n of £ 4 he ne loan ll ha e a f e rate of nterest an ll e re a at the en of 0 years

NOTE 10 Deferred capital grants

	Consolidated 2009 £'000	University 2008 £'000
At 1 August 2008		
an an ul n s	48,734	48,109
u ent	2,523	2,523
ther	462	462
otal	51,719	51,094
Cash receivable		
an an ul n s	5,647	5,647
u ent	640	640
ther	-	-
otal	6,287	6,287
Released to income and expenditure		
an an ul n s	2,017	1,997
u ent	1,313	1,313
ther	-	-
otal	3,330	3,310
At 31 July 2008		
an an ul n s	52,364	51,759
u ent	1,850	1,850
ther	462	462
otal	54,676	54,071

NOTE 11 Notes to consolidated cash flow statement

11.1 Reconciliation of consolidated surplus to net cash from operating activities

	200e	2009 £'000	200 £ 000
ur lus efore ta		(1,620)	10,
I e re at on		7,722	2041
I eferre a tal rants release to n o e	10	(3,330)	, 0
n est ent n o e		792)	04
nterest aya le	2 2	5,214	, 2
et ens on ost		(1,218)	1,01
n rease e rease n sto s		24	2
n rease e rease n e tors		(748)	4
n est ent n o nt enture		(175)	1,24
rof t on ro erty sales		(142)	, 2
n rease e rease n re tors		2,764	4

NOTE 11 Notes to consolidated cash flow statement (continued)

11.2 Returns on investments and servicing of finance

	2009	200
	£'000	£ 000
n o e fro en o ents	179	22
n o e fro short ter n est ents	463	0
nterest a	(3,226)	2, 2
	(2,584)	1,

11.3 Capital expenditure and financial investment

	2009	200
	£'000	£ 000
an le assets a u re other than lease e u ent	(13,518)	10,2 0
n o ent asset n est ents a u re	(210)	4
	(13,728)	10, 4
eferre a tal rants re e e	6,287	, 4
Re e ts fro ro erty sales	235	,
n o ents re e e	360	41
	(6,846)	2,0

11.4 Analysis of changes in consolidated financing during the year

	Total	Finance leases	Mortgages loans/other	Preference share capital
	£ 000	£ 000	£ 000	£ 000
alan e at 1 u ust 200	42, 4	, 1	,1	1, 00
a tal re ay ents	1 ,	20	1 , 4	
nan e a u re	20,000		20,000	1, 00
et a ount ra n re a n year	,444	20	, 1	
Balances at 31 July 2009	**49,138**	**5,524**	**41,814**	**1,800**

11.5 Analysis of changes in net debt

	At 1August 2008	Cash flows	At 31 July 2009
	£ 000	£ 000	£ 000
ash at an an n han	2	0	22
er raft	,2	2,2	,012
	, 4	1, 0	4,
hort ter e os ts	1 , 44	, 2	2 ,2 0
e t ue th one year	2, 22	1,	
e t ue after ore than one year	, 2	,00	4 , 11 4 r er raft

NOTE 12 Movement on reserves

	Consolidated 2009	University 2009	o sol ate 200	ers ty 200

NOTE 13 Movement on endowments

	Permanent Restricted	Permanent Unrestricted	Permanent Total	Expendable Restricted	Total
	£000	£000	£000	£000	£000
t 1st u ust 200					
a tal	2, 4	4	,01	1, 0	4,40
u ulate o e	2 1		2	211	4
	,2		,2 4	1, 01	4,
t ons				2	0
I e re at on of o ent sset est ents	11		1		1
o e	10	2	111		1
e ture	1		1	2	2
At 31st July 2009	**2,790**	**36**	**2,826**	**1,763**	**4,589**
Re rese te y					
a tal	2,4 1	2	2, 00	1,	,

NOTE 14 Pension schemes (continued)

n inflation rs re u a ust ent as also n lu e y e u ting 0 fro the ar et I e inflation on a ount of the h stor ally h g le el of inflation I e y the g ern ent on s art ularly hen o are to the an of n g lan s tar g et of 2 for h h orres on s roa ly to 2 for R er annu

o al ulate the te hn al ro s ons t as assu e that the aluat on rate of nterest oul e 4 er annu h h n lu es an a t onal assu e n est ent return o er g lts of 2 er annu salary n reases oul e 4 er annu lus an a t onal allo an e for n reases n salar es ue to a g e an ro ot on refle t ng h stor al s he e e er en e th further aut onary reser e on to for ast ser e l a l t es an ens ons oul n rease y er annu

tan ar ortal ty ta les ere use as follo s

l ale e ers ortal ty 2 l o ta les rate on 1 year
e ale e ers ortal ty 2 l o ta les o a g e rat ng

se of these ortal ty ta les reason a ly refle ts the a tual e er en e ut also ro es an ele ent of on ser at s to allo for further s all ro e ents n ortal ty rates he assu e l fe e e tat ons on

NOTE 14 Pension schemes (continued)

n the R 1 as s, usn a on s ount rate of 1 er annu ase on s ot y el s, the a tuary est ate that the fun n le el at 1 I ar h 200 as n est ate of fun n le el easure on a uy out as s at that ate as a ro ately 4

ur luses or ef ts h h arse at future aluat ons ay a t on the n ers ty s future ontr ut on o t ent ef t ay re u re a t onal fun n n the for of h her ontr ut on re u re ents, here a sur lus oul erha s, e use to s larly re u e ontr ut on re u re ents he sens t t es re ar n the r n al assu t ons use to easure the s he e l a l t es are set out elo

Assumption	Change in assumption	Impact on scheme liabilities
aluat on rate of nterest	n rease e rease y 0	n rease e rease y £2 2 ll on
Rate of ens on n reases	n rease e rease y 0	n rease e rease y £1 ll on
Rate of salary ro th	n rease e rease y 0	n rease e rease y £0 ll on
Rate of ortal ty	I ore ru ent assu t on ortal ty use at ate of last aluat on, rate o n y a further year	n rease y £1 ll on

s a last an stan n s he e so that n the e ent of the nsol en y of any of the art at n e loyers n , the a ount of any ens on fun n shortfall h h annot other se e re o ere n res e t of that e loyer ll e s rea a ross the re a n n art an t e loyers an refle te n the ne t a tuar al aluat on of the s he e

he trustee el e es that o er the lon ter e u ty n est ent an n est ent n sele te altern at e asset lasses ll ro e su er or returns to other n est ent lasses he ana e ent stru ture an tar ets set are es ne to e the fun a as to ar s e u t es throu h ortfol os that are ers f e oth eo ra h ally an y se tor he trustee re o n ses that t oul e oss le to sele t n est ents ro u n n o e flo s roa ly s lar to the est ate l a l ty ash flo s o e er, n or er to eet the lon ter fun n o e t e th n a le el of ontr ut ons that t ons ers the e loyers oul e ll n to a e, the trustee has a ree to ta e on a e ree of n est ent r s relat e to the l a l t es h s ta n of n est ent r s see s to tar et a reater return than the at h n assets oul ro e h lst a nta n n a ru ent a roa h to eet n the fun s l a l t es efore e n to ta e n est ent r s relat e to the l a l t es, the trustee re e es a e fro ts n est ent onsultant an the s he e a tuary, an ons ers the e s of the e loyers he stron ost e ash flo of the s he e eans that t s not ne essary to real se n est ents to eet l a l t es he trustee el e es that th s, to ether th the on o n flo of ne entrants nto the s he e an the stren th of o enant of the e loyers ena les t to ta e a lon ter e of ts n est ents hort ter olat l ty of returns an e tolerate an nee not fee throu h re tly to the ontr ut on rate he a tuary has onfr e that the s he e e s ash flo s l ely to re an ost e for the ne t ten years or ore

he ne t for al tr enn al a tuar al aluat on s ue as at 1 I ar h 2011 he ontr ut on rate ll e re e e as art of ea h aluat on an ay e re e e ore fre uently

he total ens on ost for the n ers ty as £ 200 £ 1 2 h s n lu es £0 200 £0 outstan n ontr ut ons at the alan e sheet ate he ontr ut on rate aya le y the nst tut on as 14 of ens ona le salar es

USPAS

he n ers ty o erates a ef ne enef t s he e n the n a tuar al aluat on as arr e out at 1 I ar h 200 an u ate to 1 uly 200 y a ual f e n e en ent a tuary

he ens on e ense har e to the n o e an e en ture a ount a es no allo an es for a tuar al a ns an losses ur n the year tuar al a ns an losses are re o n se n the tate ent of otal Re o n se a ns an osses R n the year that they o ur he urrent ra t e of n reas n ens ons n l ne th nflat on s n lu e n the easure ent of the ef ne enef t o l at on

NOTE 14 Pension schemes (continued)

	At 31 July 2009 £'000	At 31 July 2008 £'000
Change in benefit obligation		
Benefit obligation at the beginning of the year	**92,634**	[illegible]
Current service cost	**1,842**	[illegible]
Interest cost	**5,720**	[illegible]
Scheme participants contributions	**867**	[illegible]
Actuarial gains losses	**(5,591)**	[illegible]
Benefits paid	**(3,476)**	[illegible]
Benefit obligation at the end of the year	**91,996**	[illegible]

NOTE 14 Pension schemes (continued)

Scheme assets

he e hte a era e asset allo at on at the 1 uly 200 as

	At 31 July 2009	At 31 July 2009 £'000	t 1 uly 200	t 1 uly 200 £ 000
u t es	**61.5**	**35,197**	4	2,
on s	**19.8**	**11,345**	20	11, 1
lts	**18.1**	**10,353**	21	12,2
ash	**0.6**	**353**	0 2	10
otal ar et alue of ssets		**57,248**		,1 4

o e elo the e e te lon ter rate of return on assets assu t on, the un ers ty on s ere the urrent le el of e e te returns on r s free n est ents r arly o ern ent on s the h stor al le el of the r s re u asso ate th the other asset lasses n h the ortfol o s n este an the e e tat ons for future returns of ea h asset lass he e e te return for ea h asset lass as then e hte ase on the tar et asset allo at on to e elo the e e te lon ter rate of return on assets assu t on for the ortfol o h s resulte n the sele t on of the 0 assu t on for the ens on e ense for the year en e 1 uly 200 an the assu t on for the ens on e ense for the year en e 1 uly 200

	2009 £'000	200 £ 000
Actual return on plan assets	**(397)**	4,21

NOTE 14 Pension schemes (continued)

Five year history:

	2009	200	200	200	200
Benefit obligation	**91,996**	2, 4	2, 4	,4 1	,0
Fair value of scheme assets	**57,248**	,1 4	0, 1	,	0, 0
Surplus/(deficit)	**(34,748)**				

NOTE 15 HEFCE Access funds

	2009	200
	£'000	£ 000
alan e at 1 u ust	-	
un n oun l rants	274	0
l s urse to stu ents	(264)	
alan e uns ent at 1 uly	10	

un n oun l rants are solely for stu ents the n ers ty a ts only as a ayn a ent he rants an relate s urse ents are therefore e lu e fro the onsol ate n o e an en ture ount

NOTE 16 TDA training bursaries

	2009	200
	£'000	£ 000
alan e at 1 u ust	110	110
l rants	1,227	1,2
l s urse to tu ents	(1,215)	1,2
n strat on osts	(18)	1
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NOTE 18 Capital commitments

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