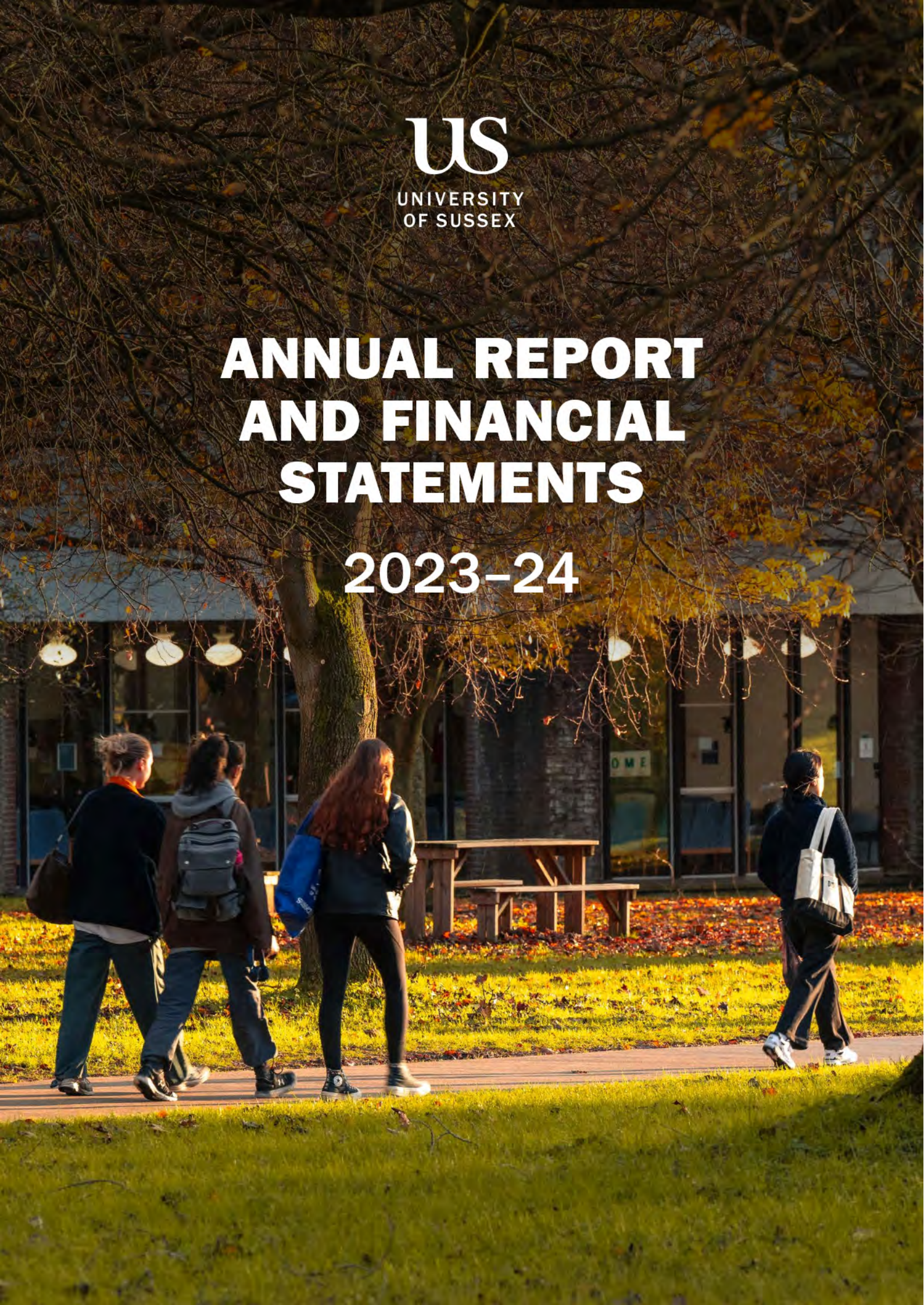


The logo of the University of Sussex, consisting of the letters 'US' in a stylized, white, serif font.

UNIVERSITY
OF SUSSEX

ANNUAL REPORT AND FINANCIAL STATEMENTS

2023-24



Principal officers

VISITOR

His Majesty The King

CHANCELLOR

Sanjeev Bhaskar OBE BA (Hatfield)

CHAIR OF COUNCIL

Rosemary Martin

BA (UoS), MBA (Nottingham Trent), Admitted Solicitor (From 12 May 2023)

VICE-CHANCELLOR AND PRESIDENT

Professor Sasha Roseneil FAcSS PFHEA

BSc (Econ) (LSE), PhD (LSE)

CHIEF OPERATING OFFICER AND UNIVERSITY SECRETARY

Dr Tim Westlake

BSc (Card), MSc (Card), PhD (Card)

(Until January 2024)

Emma Potts

MusB (Manc)

(From February 2024)

DEPUTY VICE-CHANCELLOR AND PROVOST

Professor Michael Luck FEurAI, FBCS, FKC,

BSc (UoL), PhD (UoL) (From 1 September 2023)

PRO-VICE-CHANCELLOR (EDUCATION AND STUDENTS)

Professor Kate O'Riordan

BA (UWTSD), MA (Sussex), PhD (Brighton)

PRO-VICE-CHANCELLOR (CULTURE, EQUALITY AND INCLUSION)

Professor David Ruebain

BA (Oxon), MA (Oxon)

PRO-VICE-CHANCELLOR (RESEARCH AND INNOVATION)

Professor Keith Jones

BSc (Leeds), PhD (Liv)

PRO-VICE-CHANCELLOR (CIVIC AND GLOBAL ENGAGEMENT)

Professor Robin Banerjee

BA (Sussex), DPhil (Sussex)

DIRECTOR OF FINANCE

Allan Spencer

MA (Oxon), ACA

(until January 2024)

CHIEF FINANCIAL OFFICER

Jacinda Humphry

BA (Warwick), ACMA

(From January 2024)

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University of Sussex's mission

The University of Sussex is a diverse and globally minded community of staff, students, and alumni. We work together, and with partners near and far, to make the world a progressively better place. We do this by educating generations of change-makers, and by creating, disseminating, and applying ground-breaking knowledge and understanding.

FOREWORD FROM CHAIR OF COUNCIL

The University of Sussex is very special and its Council feels keenly its responsibility for the institution and its people, particularly now when the higher education sector in England, including the University, faces considerable challenges. As a Council, we are very aware of the need for the University to adapt and change to ensure it is successful.

In light of this, there are three things from 2023/24 that, from Council's perspective, have been particularly important.

Firstly, Council was delighted to approve the new University strategy *Sussex 2035: Creating Progressive Futures – Flourishing, Sustainability, and Progress for the Whole World*. There has been considerable engagement on this with many of the University's stakeholders during 2023/24, and we are confident about the direction of travel it sets for Sussex.

The establishment of a faculty structure (following Council's approval in 2022/23) is an important enabler of our strategy: having strong academic leadership at the heart of a University's executive governance is vital, as is the need to make our academic units more resilient and agile. And, as the global challenges we collectively face today do not operate within traditional academic boundaries, Sussex needs to ensure we give proper support and encouragement to interdisciplinary research and education.

Thirdly, the signing of a major agreement to build new student accommodation on campus at West Slope is another important step toward building a better future for the University and its students. Once completed, the new West Slope facilities will allow more students to live in good quality, affordable accommodation on our beautiful campus. The new residences will provide more accessible accommodation, and better facilities for students with families, and help us to make Sussex more accessible and more sustainable.

There is much work ahead, particularly around implementation of our strategy, but despite the challenges that Sussex faces, as well as those challenges that all universities face, Council is confident that, through *Sussex 2035*, Sussex will be a distinctive, first-choice university for ambitious and forward-thinking students and staff.



Rosemary Martin
Chair of Council

VICE-CHANCELLOR AND PRESIDENT'S REVIEW

This has been my second year as Vice-Chancellor and President of the University of Sussex, and as this report shows, the year has been a period of significant challenge, change, and improvement for the University.

The challenges faced by Sussex reflect the challenges facing the higher education sector in England as a whole, which are largely rooted in the 2012 changes to university funding. In 2012 teaching grants to universities were significantly reduced, whilst tuition fees for home undergraduates tripled to £9,000 per student per annum. The Institute for Fiscal Studies (IFS) has calculated that this settlement created a 25% increase in average university funding ('Higher Education funding in England: past, present and options for the future' (IFS, 2017)). However, the settlement removed almost all public capital funding for universities and meant that, henceforth, universities would have to borrow funds in order to finance the renewal and improvement of their facilities and estates.

This settlement would have been sustainable for universities had the home undergraduate tuition fee cap maintained its real value. However, since 2012 there has been only one¹ inflation-proofing increase in the home tuition fee, to £9,250 in 2017/18. For over a decade, universities have experienced real term cuts in fee income. According to Universities UK, the £9,250 fee is currently worth £5,924 (in 2012-13 prices). The problem has been compounded by real-term cuts to research funding. Universities are running a £5.3 billion loss on research; this means that 31p in every £1 of research cost incurred is not covered by any form of funding, resulting in a loss.

Universities have been able to offset this, to some extent, through increased recruitment of international students, for whom there is no fee cap. However, this highly competitive global market is both dependent on immigration and visa rules, and highly sensitive to how welcoming a country is perceived to be. None of these factors have favoured UK universities in the past few years. The previous Conservative government has made the UK a much less attractive destination for international students; it threatened to remove the graduate visa route, it stopped taught international students bringing families with them to the UK, and it publicly criticised the value of UK higher education. At Sussex, international student recruitment held up – against much of the sector. In 2023/24, however, it is already clear that in 2024/25 there has been a very large fall in our international student intake, in common with other universities. Against this backdrop, competition to recruit home students has been stronger than ever, with increasingly unpredictable changes in annual student numbers.

This complex and volatile environment has meant that there are widespread financial challenges across UK higher education, with the Office for Students (OfS) stating in May 2024 that 40% of higher education providers were expecting to report deficits for 2023/24. More recently, in November 2024, the OfS modelled that 72% could be in deficit by 2025/26. In this context, many universities, including Sussex, have been engaging in significant cost reduction programmes.

However difficult the external environment and its implications are for us at Sussex, the University will always place our commitment to our students front and centre. Our collective determination to provide our students with an excellent student experience, as well as preparing them for the careers and lives that they desire after they leave, is at the heart of our work. We are also seeking to increase the breadth, depth, and impact of the world-class research that takes place at Sussex, and to expand the range of partners with whom we are working, locally, regionally and globally to realise the innovation and change that our research makes possible. All of this requires us to be more efficient, effective, and strategically focused, and to better support our people, both students and staff.

To this end, we are updating our digital and physical infrastructure – investing in new systems to support education and the student journey, research, human resources and finance processes. We are building new on-campus student accommodation and new facilities for medical, dental, psychological services, as well as expanding catering and commercial outlets within the West Slope development. It is why we introduced, from 1 August 2024, a new faculty structure to the University, and why we have created a new Global and Civic Engagement portfolio, led by a new Pro-Vice-Chancellor.

Looking ahead, the challenging external environment and the need for improvement, excellence and transformation within the University have also informed the extensive process of engagement and consultation, through which we developed our new strategy. We believe that *Sussex 2035: Creating Progressive Futures – Flourishing, Sustainability, and Progress for the Whole World*, which will be launched in 2025, provides a distinctive and inspiring vision and a compelling institutional framework to drive the change that Sussex needs for the coming decade.

There have been some noteworthy successes in 2023/24 that indicate the University is making important progress. The award of Silver in the Office for Students 2023 Teaching Excellence Framework (TEF), improvements in the National Student Survey (NSS), and growth in research awards are all to be celebrated. There remains much work to be done, and the coming year poses very real financial challenges, but there is a tangible commitment across the University to work together to ensure that Sussex will thrive.



Professor Sasha Roseneil

Vice-Chancellor and President

¹ On 5 November 2024, the Secretary of State for Education announced an increase in the home tuition fee cap to £9,535 per annum for 2025/26.

Annual Report

HIGHLIGHTS OF 2023/24

A NEW ACADEMIC STRUCTURE

In July 2023, the University's Council approved the proposal to introduce a four-faculty structure at Sussex. These larger units of academic organisation, which came into being from 1 August 2024, group together three Schools in the Faculty of Social Sciences¹, and four Schools in the Faculty of Science, Engineering, and Medicine². Two Schools that were already operating very much like faculties – the University of Sussex Business School, and the School of Media, Arts, and Humanities – have become faculties too, with the former keeping its name, and the latter becoming the Faculty of Media, Arts, and Humanities.

The decision to establish faculties was predicated on the principle that successful research-intensive universities have strong academic leadership at the heart of their executive governance. Under the newly formed faculty structures, there is consistent representation of all Schools in executive discussions and decisions through Executive Deans, all four of whom sit on the University Executive Board, which will significantly improve strategic leadership and accountability across the organisation. The change to Faculties will also make Sussex's academic units and disciplines more resilient and agile in an increasingly fast-changing environment. Faculties will better support interdisciplinary research and education to tackle contemporary global and intellectual challenges that demand such interdisciplinary academic endeavour.

During 2023/24 Executive Deans were recruited to lead each Faculty: Professor Rosie Cox, Executive Dean of the Faculty of Social Sciences; Professor Cornel Sandvoss, Executive Dean of the Faculty of Media, Arts, and Humanities; Professor Luc Moreau, Executive Dean of the Faculty of Science, Engineering, and Medicine, and Professor Ingrid Woolard, Executive Dean of the University of Sussex Business School.

Creating Faculties has required changes to the University's academic governance (which is primarily the responsibility of Senate – on the role of Senate see page 23). Membership changes to Senate and a review of its sub-committee structure and composition were considered by Senate in June 2024. In the 2024/25 academic year, the University Regulations that outline how the University operates and is organised will be reviewed to reframe the overarching academic leadership structure in light of the establishment of Faculties. Reviewing regulations and associated policies and processes will also provide an opportunity to ensure the University is agile and resilient in our operations, and that we can respond to a rapidly changing higher education environment.

¹ The Faculty of Social Sciences comprises the Schools of Education and Social Work; Global Studies and Law, Politics and Sociology.

² The Faculty of Science, Engineering and Medicine is made up of the Schools of Engineering and Informatics; Life Sciences; Mathematical and Physical Sciences; and the Brighton and Sussex Medical School; which is a joint venture between the Universities of Sussex and Brighton, and has its own governance arrangements.

SUSSEX 2035: CREATING PROGRESSIVE FUTURES

A major focus of work in 2023/24 was the development of our new strategy. A deep and wide-ranging process of engagement and consultation with University staff, students, alumni, sixth formers, and local and regional stakeholders involved 27 in-person and online engagement events, with over 4,100 participants, and three surveys, with over 2,800 participants. The final strategy, which was approved by Council in July 2024, has, therefore, been tested and refined through a rigorous process, and has a high level of support across all of the University's constituencies. *Sussex 2035: Creating Progressive Futures – Flourishing, Sustainability, and Progress for the Whole World* builds on our existing strengths to articulate Sussex's mission and values for the coming decade, and it sets out an ambitious and distinctive vision for the future of the University and the contribution we wish to make to the world.

Three strategic themes run through the strategy: digital and data futures, financial and environmental sustainability, and human flourishing. These themes will guide the University's education and student life provision, research and innovation, and the changes we will make in how we work as an organisation over the coming decade. The central ambition is that through a focus on these strategic themes, the University will become a first-choice university for ambitious and forward-thinking students and staff.

EDUCATION AND STUDENT LIFE

In September 2023, the University was awarded 'Silver' in the Teaching Excellence Framework (TEF). The TEF is the official rating by the Office for Students (OfS) of the quality of teaching and education in universities in the UK. A Silver rating means that, at Sussex, the student experience and student outcomes are typically very high quality. Ratings ordinarily last for four years, with the University now putting plans in place with aim of achieving 'Gold' (the highest rating) when the TEF runs next time.

In July 2024, the OfS published the 2024 National Student Survey (NSS) results. The NSS, which is an annual survey of final year undergraduate students, and which runs from January until April each year, asks a series of questions about students' experience of their university. The results inform the TEF and feed into university league tables. Both influence the University's reputation and brand. The response rate for Sussex was 73%, an increase of 5% on 2023, above the institutional target of 70%, and slightly higher than the university sector response rate (72%). The University's 'positivity' measure improved in six out of seven themes of the NSS. The results for four themes are above the OfS 'benchmark'. This result is the main explanation for the University's 10-place rise in *The Times and Sunday Times Good University Guide* (2025) to 38th place. This is good news, and the University has ambitions to be ranked consistently higher in UK university league tables.

Annual Report (continued)

The long-term employment and career prospects of university degree courses have never been more important to university applicants, students and their families and this is one area in which the University seeks considerable improvement. Not only would it mean that we better serve our students, it would also support our ambitions to achieve TEF Gold and it would lead to rises in university league tables. We are ranked 16th in the UK (of 90 universities) for 'employment outcomes' in the *QS World University Rankings 2025*. In addition, the University's careers service has won two national awards – the 2024 Association of Graduate Careers Advisory Services (AGCAS) Supporting Student and Graduate Employability Award and the 2024 National Enterprise Educators Entrepreneurship Catalyst Award. These awards generate confidence that we are moving in the right direction, although there is clearly work to do.

The University is also focused on improving our support for students. In September 2023 'My Sussex' was launched. My Sussex is the University's online portal for providing student support and gives students answers to queries through comprehensive FAQs and provides access to wellbeing and other support services.

The University is also progressing two significant projects that will improve our education and student experience offer in the medium- and long-term. They are the Student Information System (SIS) and Curriculum Reimagined. The new SIS will improve efficiency in the management of the student journey from applications to alumni engagement, standardising and streamlining processes, and providing robust and reliable data and information. It will offer a secure system and deliver an improved staff and student experience, addressing major resilience challenges across our corporate information systems, and creating a solid platform for administrative best practice and enhanced student experience. In October 2024 SIS reached a significant milestone and started processing all undergraduate applications from UCAS.

Curriculum Reimagined, which started in 2022/23 and will run until 2025/26, is a comprehensive review of the University's educational structures, including the academic framework, how choice is offered, and how we approach assessment. It aims to improve the curriculum we provide students, and boost students' satisfaction and employment prospects through consistency across the University of transformative, high-quality education.

RESEARCH AND INNOVATION

In 2023/24 the University was awarded £46.9 million in research grant funding, the highest value since 2019/20, and there was a considerable rise in the number and value of applications. These data are suggestive of improvements in research performance across the University, and we were pleased to be ranked 82nd in the world and =19th in the UK for 'research quality' in the 2024 Times Higher World University Rankings.

Within the £46.9 million, there were 10 awards valued over £1 million, including three of over £3 million. The Alfred Landecker Foundation awarded £3.5 million to Dr Victoria Walden to establish the Landecker Digital Memory Lab, which will enhance interdisciplinary and inter-sector dialogue about digital Holocaust memory. The Foreign, Commonwealth and Development Office (FCDO) awarded £3.4 million to Professor Elizabeth David-Barrett, to fund new research into global corruption, and the Wellcome Trust awarded £3.2 million to Professor Evi Soutoglou, to work on a groundbreaking exploration of DNA structure and its repair.

In relation to innovation, the University is increasing its support of spin-out companies, having launched five in the last five years. The University also led a successful bid by a consortium of seven universities around London (Sussex, Reading, Royal Holloway, Kent, Brighton, Essex, and East Anglia) to grow collective capability and expertise in developing spin-outs. The aim is to create a 'Golden Circle' of university innovation infrastructure adjacent to the current 'Golden Triangle' hotspot around the universities of Oxford, Cambridge and London. The 'Golden Circle' work will enable universities not just to launch spin-outs, but also to help them succeed, through the pooling of knowledge and expertise across the region.

The University has agreed a 10 year research and development (R&D) contract with nano-materials company Advanced Materials Development to develop new graphene-based emulsions and composite materials. Similar long-term, multi-faceted R&D relationships have been struck with clean energy technology company Biaco and pharmaceutical company 1.13 Botanicals. All three companies are at the leading edge of their technology and are based in the Greater Brighton city region. The University spinout, Universal Quantum, has gained over £80 million in grants and investments, and Metasonix was awarded the Institute of Physics Start-Up of the Year 2024.

Annual Report (continued)

The University's innovation performance has helped improve its position in Research England's 2024 Knowledge Exchange Framework (KEF). The KEF provides information on ways in which English universities engage with society and the economy, locally, nationally and internationally. Our performance puts us ahead of our peer group of 18 large research-intensive universities in four of the seven KEF areas of assessment. These areas were: working with businesses; working with the public and third sector; IP and commercialisation; and non-academic research partnerships with non-academic partners. Our KEF results have improved year on year since the KEF was introduced in 2021.

In June 2024 the University rolled out Worktribe, our new research management system. Worktribe will support more efficient collaboration between staff on research applications, and it will enable us to drive improvements in research overhead recovery and to better monitor and meet contract deliverables on a timely basis.

GLOBAL AND CIVIC ENGAGEMENT

Global and Civic Engagement was established as a new executive portfolio at the University of Sussex in 2023/24. Professor Robin Banerjee was appointed Sussex's first Pro-Vice-Chancellor (Global and Civic Engagement), from 1 September 2023. The portfolio was created to better coordinate two elements of University activity central to the success of any university: (i) international student recruitment and the development of education and research partnerships with overseas universities and (ii) local and regional engagement, including staff and student activities, with industry and enterprise, public services, local and national government, and the voluntary sector.

Global and Civic Engagement work in 2023/24 was focused on building internal capacity and integrating the relevant professional service functions both with each other and with academics across the University. This work will be supported in 2024/25 by the creation of Associate Dean roles for Global and Civic Engagement in each of the four new Faculties.

During 2023/24, Sussex continued to maintain its profile as one of the most internationally engaged universities in the world: the 2024 *Times Higher Education World Rankings* ranked Sussex 36th globally for 'international outlook', based on the international diversity of our student and staff population and our international research collaborations. We also demonstrated the success of our Transnational Education (TNE) provision by growing our Sussex Artificial Intelligence Institute at Zhejiang Gongshang University to the target steady state of circa 1,000 students per annum.

In 2023/24, 84% of our graduating BSc cohort (our first such cohort) from this Joint Institute achieved a 2:1 or better, and 96% of the latest cohort of graduating MSc students received a Merit or Distinction. A range of complementary international projects were also undertaken with our Joint Institute, including both physical and online exchanges for intercultural programmes, student mobility involving summer schools and supervised research, and training for staff.

In 2023/24 the University ran seven schemes to engage Sussex students and staff with 35 academic research partners around the world, providing invaluable educational, personal, and career development opportunities for both groups. The two new schemes in 2023/24 were the European Partnership Development Fellowship (EPDF), and the Mahidol Sussex Seed Fund, for pump-priming research collaborations between Sussex and one of Thailand's strongest research institutions, Mahidol University. The Sussex Seed Fund has supported the deepening of our existing partnership with Mahidol, which has culminated in the signing of a five-year strategic partnership agreement. This agreement solidifies both universities' commitment to working together and recognises the strategic importance of our collaboration.

This research partnership activity complemented Sussex's continued engagement with our extensive network of university partners for our 'study abroad' programme, through which large numbers of international students travel to Sussex to study, and Sussex students travel abroad to study, and which includes placements funded by the Turing Scheme. In addition, our 'Internationalisation at Home' programme saw us provide unique intercultural experiences through online courses to 450 students at Sussex and key international partner universities in China, Mexico, Ghana, and Poland.

Despite some UK-wide challenges in the international student market Sussex continued to welcome large numbers of students from China, India, and Nigeria, and many other countries in 2023/24. We have also been working to attract students from emerging growth areas, including Latin America, Central Asia and South-East Asia. In October 2023 we launched the University's first dedicated representative office in Jakarta, providing an in-country presence in Indonesia to add to those already in China, India, Nigeria, and Malaysia. We plan next to open a staff office in Pakistan.

The University is innovating in recruitment partnerships with partners around the world, which already generate 400 plus international students per annum for Sussex, and in the past 12 months 21 new institutional recruitment partnerships have been set up in China, four in Taiwan, and one in Georgia. The institutional target for 2024/25 is 60 new partnerships to further support the recruitment of international students.

Annual Report (continued)

In terms of the University's local and regional contribution, we have a significant economic impact. A 2023 report, 'The Economic and Social Impact of the University of Sussex', by Oxford Economics, found that we contribute nearly half a billion pounds (£495 million) each year to the local economy, and support 10,000 jobs across the UK (1 in 80 in the Greater Brighton area). We are also strengthening other civic contributions to our city and region. In 2023/24, the University was the Higher Education Partner for the renowned Turner Prize hosted at Towner, Eastbourne, and also for the Brighton Festival. This involved close involvement of Sussex staff and students, including direct support for innovative engagement in the arts for local Year 9 students visiting the contemporary art exhibition at Towner, as well as for general public engagement with Sussex's own 'Festival of Ideas' within the Brighton Festival programme. The University has also engaged the wider community through our on-campus Attenborough Centre for Creative Arts (ACCA). The ACCA held 76 public events – ranging from music and theatre to literature, dance, and debate – attracting over 10,000 people.

A 2023 survey of local residents in Brighton & Hove and Sussex was conducted by an independent market research company. This revealed that the proportion of respondents feeling proud or very proud about having the University of Sussex in their local area increased substantially since the previous survey in 2020, from 40% to 65%. Residents emphasised the prestige and reputation of the University, and its support for the local economy. In addition, the proportion of residents reporting that they had recently visited the University had doubled, from 20% to 40%.

Finally, in June 2024 the University held its first in-person 'Court' meeting since the Covid-19 pandemic (on Court see p.23). Supported by the Lord-Lieutenant of East Sussex, Mr Andrew Blackman CStJ, Court brought together a range of policymakers, practitioners, leaders and representatives from local government, health and education institutions, businesses, and cultural organisations to discuss shared priorities and concerns to inform the University's civic activities over the coming months and years. These key stakeholders also contributed valuable inputs to the development of the University's new strategy, *Sussex 2035: Creating Progressive Futures – Flourishing, Sustainability, and Progress for the Whole World*.

ENVIRONMENTAL SUSTAINABILITY

The University has the ambition to be one of the most environmentally sustainable universities in the world, and to reach net zero by 2035. This is why sustainability is one of the three strategic themes of our new strategy, and it is why our strategy timeline stretches across the coming decade to 2035. If we are to realise our goal of net zero by 2035, we must focus on this. This theme builds on considerable research strength in this area, and on a strong track record of external recognition in relation to sustainability, and we believe it can constitute a point of difference to attract ambitious and forward-thinking students, staff and partners. Environmental sustainability will shape changes to our campus operations, and it will inform our research, education, and relationships with partners and stakeholders.

The University measures our carbon emissions through the Standard Carbon Emissions Framework (SCEF), produced by the Environmental Association for Universities and Colleges (EAUC), and based on the Greenhouse Gas (GHG) protocols. We are signatories to the Wellcome Trust Environmental Concordat to improve the Sustainability of our Research and Innovation Practice and we will be working towards achieving the EcoCampus bronze awards in 2024/25 in our ambition to gain ISO14001 accreditation. Five of our laboratories (including the Biology and Chemistry Life Sciences teaching laboratories) have gained bronze Laboratory Efficiency Assessment Framework (LEAF) accreditations so far and are working towards silver LEAF accreditations. A number of other laboratories are preparing to gain bronze.

There have been several notable achievements in 2023/24. In April, Eat Central, the University's largest dining hub received the highest accreditation (three stars) from The Sustainable Restaurant Association. In the same month carbon labelling was introduced in one of our food outlets and we are now in the process of rolling it out to all campus cafes.

The University's environmental sustainability work has also been recognized in 2023/24. In June 2024, the University of Sussex was ranked the 8th most sustainable university in the UK (of 90 institutions) and 26th globally (of 1,503) in the QS World University Rankings 2025. In the same month, we were ranked between 101–200 of universities across the world (joint 27th in the UK) in the *Times Higher Education University Impact Rankings* for 2024 which measure the contribution of universities to the United Nations Sustainable Development Goals (SDGs). On SDG 13 (climate action), we were ranked joint 29th of 924 institutions.

Annual Report (continued)

In July 2024, the University campus earned a Green Flag Award for the eighth consecutive time. This award scheme, run by Keep Britain Tidy (under licence from the Ministry of Housing, Communities & Local Government), recognises and rewards well-managed parks and green spaces. The University has been also shortlisted under two categories for the Environmental Association for Universities and Colleges (EAUC) Green Gown Awards 2024. The University's Business School is a finalist in the 'Student Engagement' category whilst, Sussex Food, the University's catering partner, has been shortlisted in the 'Campus Health, Food and Drink' category. Winners will be announced in November 2024. The University is also a member of the UK Food Systems Centre for Doctoral Training (UKFS-CDT). The UKFS-CDT aims to develop the next generation of food system change-makers for a healthy and sustainable food future.

PEOPLE AND CULTURE

A commitment to academic excellence, diversity, and inclusion are central both to Sussex's current strategy and to the new Sussex 2035 strategy, one of the central elements of which is the ambition that: "Sussex will be a first-choice university for ambitious, creative, and forward-thinking students and staff. We will become a university in which every student and member of staff can feel that they are in the best place to realise their goals, where they can develop, be themselves, and do their best work, and where we fully embrace diversity of background, identity, belief, thought, discipline, and method." (Sussex 2035: Creating Progressive Futures – Flourishing, Sustainability, and Progress for the Whole World).

Recognising that the success of the University rests on the flourishing of our people, and on strong community relations, supporting our staff and developing and improving HR processes have been a major focus in 2023/24. To this end, we have improved our annual Achievement and Development Review (ADR) process, and we have developed the 'Sussex Leader and Manager Competency Framework' which specifies the behaviours and competencies expected of leaders across the University, and which led to the launch of a new entry-level leadership programme.

We have produced a research and data-led Staff Wellbeing Plan to better support, engage, and motivate our staff, and we have delivered a range of staff wellbeing events across 2023/24, culminating in our first Staff Wellbeing Festival in July 2024.

We have continued a programme of events and activities to embed a culture that promotes academic freedom and freedom of speech. This includes an 'Open Listening programme' (launched in October 2023) which is designed to encourage and support members of the University community to approach intellectual conflict and disagreement in ways that maintain and strengthen relationships and that lead to positive change and the flourishing of diversity in all its forms. The programme was extended to two campus dialogue events focused on the conflict in Israel and Palestine and how it has been affecting members of the Sussex community from a range of ethnic, religious, and national backgrounds, and with a range of political perspectives and beliefs. The University has also undertaken an external legal review of institutional policies and guidance which may bear on the principles of academic freedom and freedom of speech. A working group, chaired by the Pro-Vice-Chancellor (Culture Equality and Inclusion), continues to ensure that our foundational commitments to academic freedom and freedom of speech are fully understood and realised across the University.

In relation to wider equality, diversity, and inclusion issues, the University runs the Black at Sussex programme which aims to improve the experience of Black students and staff at Sussex. The programme also celebrates Black alumni and their contributions to British culture and art, as well as the University. Jenny Mitchell, an alumnus of the University, returned to Sussex in 2023/24 as our Poet in Residence. In September 2023, the University was awarded an Advance HE Race Equality Charter (REC) Bronze award. This is the first REC award for the University and achieves one of the key measures of success of the Inclusive Sussex strategy (part of the current Sussex 2025 strategy). The award recognises the University's commitment to improving race equity, the identification of issues, and the plans to address them.

As part of Inclusive Sussex, the University has a target for all Schools to achieve an Advance HE Athena Swan award by 2025. In the previous years, two Schools had achieved Silver awards. In 2023/24 two further Schools received Bronze awards, and the Brighton and Sussex Medical School (BSMS) achieved a Gold award. Inclusive Sussex also set the target of achieving a top-100 ranking in the Stonewall Workplace Equality Index (WEI) by 2025. In the 2024 WEI, the University was awarded Gold status and ranked 30th achieving that target. This acknowledges the University's commitment to eliminating inequalities for our LGBTQ+ staff and to developing an inclusive culture at Sussex. The Workplace Equality Index is a benchmarking tool which enables employers to measure their progress on LGBTQ+ inclusion in the workplace. It does not prescribe a particular policy or approach, but requires organisations to demonstrate their work in 10 areas of employment practice and policy, from HR policies to visibility of LGBTQ+ role models.

Annual Report (continued)

In the context of highly polarised public, political and media discourse about freedom of speech and issues of identity and equality, the University continues to seek to ensure that we enact our commitments to supporting and advancing freedom of speech, academic freedom and diversity and inclusion. Taking steps to make our academic community more inclusive enhances the freedom of speech and academic freedom of those individuals who are thereby included. Equally, many controversial views are protected beliefs for the purposes of the Equality Act 2010. Freedom of speech, academic freedom are also supported by eliminating discrimination. Our institutional approach to supporting the expression of the diverse opinions held by members of the University community in relation to the Israel-Gaza/Palestine conflict, and to ensuring the safety and well-being of all members of our community, is [reported on a dedicated webpage](#), as is our wider approach to [academic freedom and freedom of speech](#).

CAPITAL PROGRAMME

In 2023/24 the University invested £194 million to develop and improve our physical and digital infrastructure and facilities. This included £160 million in new student accommodation (West Slope Residences). In partnership with Balfour Beatty PLC, the project will increase the number of study bedrooms on campus by 1,900 to 6,769, by 2028/29. This builds on our earlier investment in East Slope student accommodation and supports the University's commitment to provide high quality, attractive, accessible on-campus accommodation for all our first-year undergraduate students, international postgraduate students, and many students in other years of study. Offering on campus student accommodation is a key competitive advantage to universities in trying to attract first-year undergraduate students, not least because it is often cheaper than off-campus residential accommodation. A greater provision of on-campus student accommodation can also help support a sense of belonging to the University, and greater accommodation provision on-campus also eases pressures on the housing stock for Brighton and Hove's resident non-student population. West and East Slope complement, and are physically adjacent to, the recently-built Student Centre (opened in 2022/23 at a cost of £26 million). We are also adding a new Health and Wellbeing Centre, café, retail and student study spaces, all of which will enhance the student experience and campus life.

Alongside West Slope, in 2023/24 the University continued to invest in a number of projects, some of which are referenced elsewhere. We are investing in a new Student Information System. The System, which will involve a total investment of around £19 million by 2026/27, is the biggest of our corporate information system projects, with the most complexity and the greatest number of integrations with other corporate information systems. We also have a new research management system and we have initiated a project for a new Digital Human Resources System. We are upgrading our Finance System to the cloud by 2025/26, and we are continuing work on the £40 million Network Replacement Project which is replacing and upgrading our computing network to future-proof University IT infrastructure for many years to come, ensuring students and staff enjoy fast, reliable and seamless network services. The work will ensure that University IT services are delivered effectively and efficiently to everyone in our community.

ROYAL CHARTER

The University is an independent corporate body established by Royal Charter. It is an exempt Charity under the Charities Act 2011 and its objects, powers and framework of governance are set out in the public benefit statement – see the Corporate Governance section, on pages 24–25.

FINANCIAL STATEMENTS

The Financial Statements for the University Group comprise the consolidated results of the University and its subsidiary undertakings, which engage in activities that for legal, commercial or taxation reasons are more appropriately performed through separate and subsidiary legal entities. The principal trading subsidiaries consolidated in the University accounts are Sussex Innovation Centre Management Limited – manager and operator of the Sussex Innovation Centre – and Sussex Estates and Facilities LLP, the University's facilities management partner.

Other non-trading subsidiaries within the University Group comprise Sussex UH Limited, Sussex Innovation Centre Development Limited, Sussex U H ESR Holdco Limited, Sussex U H ESR Intermediateco Limited, Sussex UH WSR Holdco Limited and Sussex UH WSR Intermediateco Limited.

Annual Report (continued)

The University has a 20% interest in East Slope Residences Student Accommodation LLP in Partnership with Balfour Beatty Investments Ltd for the purpose of constructing and servicing student accommodation, and 19% interest in an equivalent structure for the West Slope residences currently under development. In addition, the University has an equal share in Brighton and Sussex Medical School (BSMS), which is accounted for and treated as a joint activity with the University of Brighton..

The consolidated accounts are prepared and presented under Financial Reporting Standard 102 (FRS102) and the Further and Higher Education SORP (SORP 2019). The annual report is drawn up in accordance with FRS 102 and the FEHE SORP

FINANCIAL REVIEW

The Group consolidated income and expenditure (including our share of the University of Brighton joint venture income and expenditure) and surplus/deficit retained in the Group for the year ended 31 July 2024 and the previous three years are realised as follows:

	2023/24	2022/23	2021/22	2020/21
	£ million	£ million	£ million	£ million
Income	380.6	380.2	346.2	316.1
Expenditure	290.8	343.5	377.3	294.8
Surplus/(Deficit) for the year	96.2	35.2	(43.0)	22.6
Represented by:				
Non-Controlling Interest	0.8	1.4	0.9	0.8
Surplus/(Deficit) retained within the Group	95.4	33.8	(43.9)	21.8

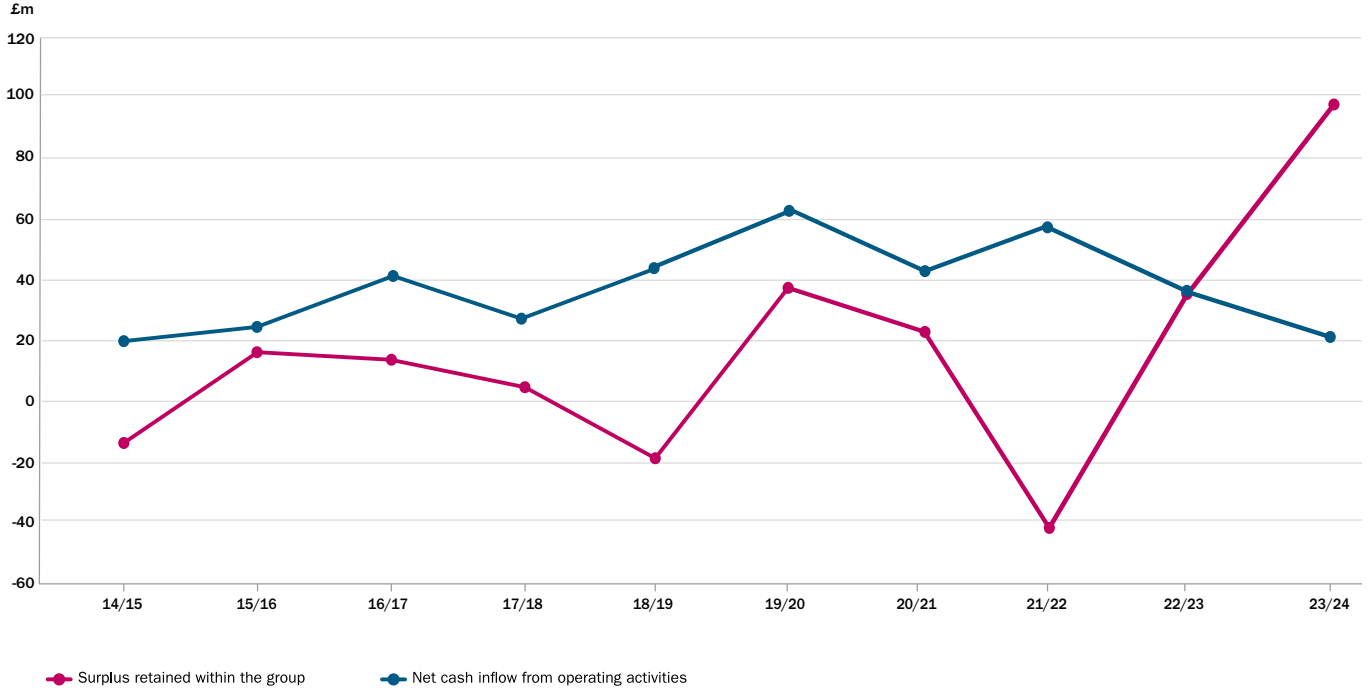
The University Group recorded a surplus in 2023/24 of £96.2 million compared to a surplus of £35.2 million for 2022/23. The 2023/24 results include adjustments to recognise the University's funding obligations to the Universities Superannuation Scheme (USS). This generated a £81.7 million credit in 2023/24 as the obligation continued to be remeasured under the existing valuation basis. A smaller credit of £11.1 million was recognised in 2022/23.

Other comprehensive income includes the £5.2 million actuarial loss in respect of the University of Sussex Pension and Assurance Scheme (USPAS) and a £6.4 million mark-to-market gain in investments, as it recovered its market value. These are unrealised gains/losses and subject to significant volatility, year on year. They are therefore excluded from the analysis of the performance of the University's core activities.

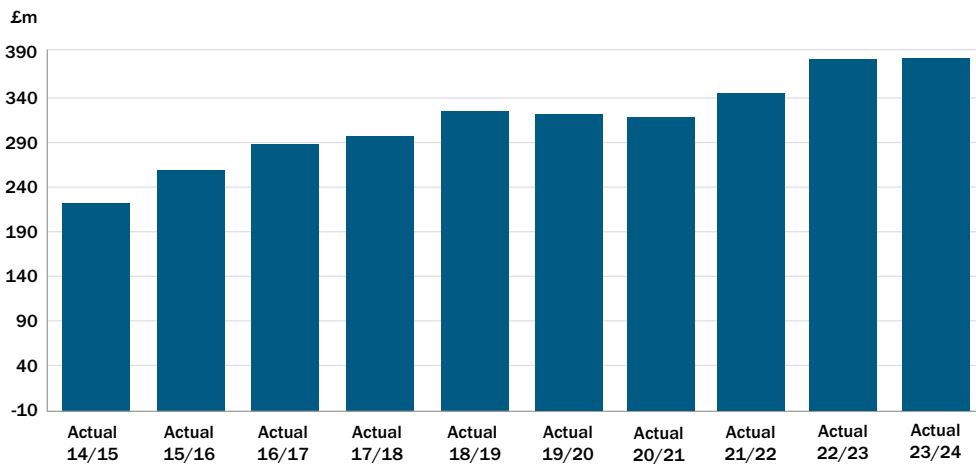
Since the surplus/deficit retained in the group is affected by volatile periodic improvements in pension valuations, the University considers net operating cashflow a more reliable ongoing measure of financial performance. Actual surpluses and net operating cash are shown on page 12. These demonstrate that cash performance has been positive, and consistently so. In contrast, accounting surpluses are subject to one-off non-cash expenditure, as a result of the technical accounting treatment of pensions. The University Group recorded positive net operating cash before investing and financing activities of £24.5 million in 2023/24 (£35.2 million in 2022/23) and expects continuing positive cash generation in 2024/25.

Annual Report (continued)

SURPLUS/(DEFICIT) AND NET OPERATING CASH

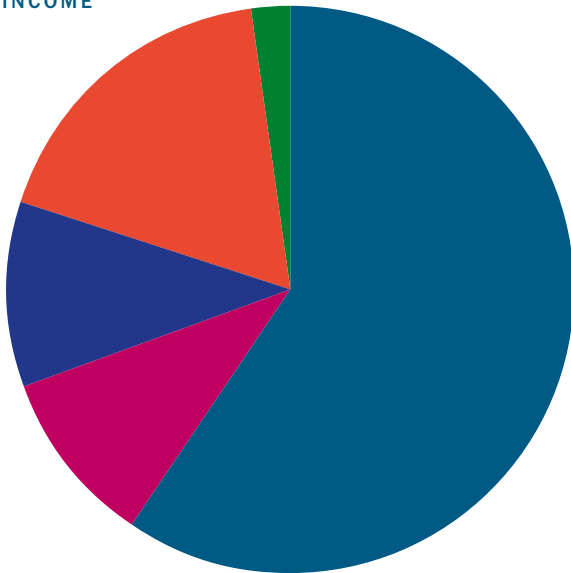


TURNOVER



Annual Report (continued)

INCOME



The University Group's total income in 2023/24 was £380.6 million, and broadly in line with the previous year (£380.2 million). This was due to slight growth in tuition fee, other and investment incomes being offset by similar reductions to funding body grants, research grants, and donation income.

Tuition fees continue to be the most significant element, making up 59% of total income.

Tuition income rose marginally by £2.3 million (1.0%) despite a reduction in the overall number of students by 278 (-1.5%) full-time equivalent (FTE) to 17,811 FTE from 18,089 in 2022/23. This uplift in income was driven by increased proportions of international students overall to 29% of total students for 2023/24 from 28% in the previous year. Home undergraduate and Foundation year student numbers dropped year on year by 420 FTE (4%) and home postgraduate taught student numbers also reduced by 88 student FTE (7%). The reduction in home fee income was more than offset by an increase of 262 (14%) in international postgraduate taught students which meant higher levels of tuition fees.

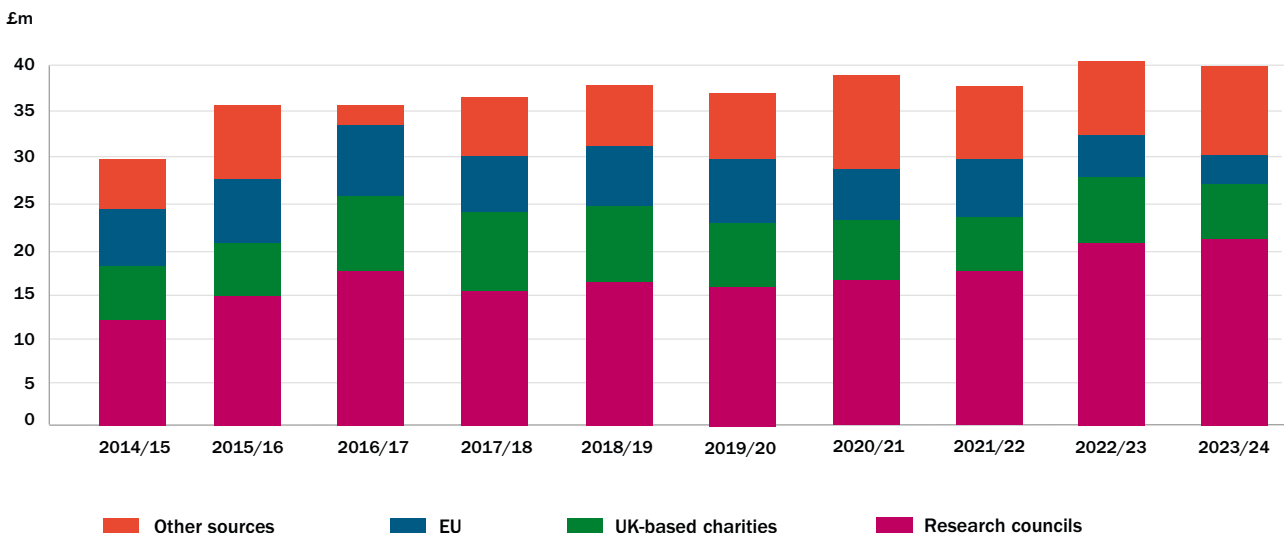
The grants that the University receives from the Office for Students, Research England and Department for Education decreased by £2.7 million (6.7%) from last year to £37.6 million. This was primarily due to grants received from UKRI in 2022/23 that were not repeated in 2023/24.

Other income increased by £3.6 million, or 5.7%, due to the ongoing recovery of Summer School residences and catering to pre-pandemic levels with continued strong student presence on campus. Donations and endowments income reduced by almost a quarter from 2022/23, decreasing by £1.2 million to £4.1 million, with 2022/23 benefitting through gifts from a number of individuals and trusts that were not repeated this year.

2023/2024

- Tuition Fees and education contracts
- Funding Body Grants
- Research grants and contracts
- Residences and other
- Donations and endowments

RESEARCH INCOME



Annual Report (continued)

RESEARCH

Research income fell from just under £42.0 million in 2022/23 to £39.9 million in 2023/24. Whilst this is a fall of almost 5.0%, £39.9 million still represents the second largest sum Sussex has returned for research income.

In 2023/24, we saw an increase in grant awards to £46.9 million, from £43.5 million the previous year, alongside an increase in the number of awards from 221 to 246. With the number of bids increasing by over 28% (from 635 in 2022/23 to 815 in 2023/24) and the value rising by over 14% (from £236 million to nearly £269 million), it is hoped this will have a positive impact on our research income in 2024/25 and beyond. Of our awards, 17 were valued at over £0.5 million, with 10 worth over £1.0 million to Sussex.

Within a year of the UK rejoining the Horizon Europe programme the proportion of research income the University received from the European Commission has increased from 8.0% to 14.1%, with the University looking to build on this success and attract further EU funds in the coming years.

The University continues to benefit from the outcome of REF2021 with an increase in quality-related (QR) funding from Research England of nearly £4.0 million per annum, which continues until the next REF assessment.

REVENUE EXPENDITURE

Total expenditure decreased by £52.8 million from 2022/23 to £290.8 million. This is primarily due to a significant movement in the pension adjustment made in the year compared to 2022/23, with a current year credit of £81.7 million (compared to a credit of £11.1 million in 2022/23). There have been increases in both staff and non-pay costs which are described in further detail below. The expenditure increase, excluding pension adjustment, was £17.8 million; this represents an underlying increase of 5.0% from 2022/23.

The University's cost base includes total staff costs of £112.0 million. Staff costs include an £81.7 million credit. This credit represents the reduction in the calculation of the present value of recovery plan payments to USS due to the increase in discount rates.

This year-end's adjustment reflects the adoption of the USS March 2023 valuation last year in April 2023, which included a reduction in employers' contribution. The underlying staff costs before the pension adjustment are £193.7 million and have increased 10.7% from 2022/23, reflecting a combination of the cost-of-living inflation partially mitigated through an increase in staff being charged directly to the capital programme, as well as ongoing staff vacancies which are the result of delays in recruitment.

Other operating expenses decreased by £1.0 million (0.7%) compared to last year, to a cost of £136.6 million. 2023/24 also saw a decrease in utility and service costs, whilst depreciation cost increased by £2.1 million to £34.1 million reflecting the increased expenditure on the capital programmes and projects.

CAPITAL INVESTMENT

The University's capital investment plans include a £126 million capital programme, approved in 2021 for delivery over five years, and a further £202 million investment in the new West Slope residences. £22 million of other projects were approved prior to 2021 and completed by the end of 2023/24.

Sixty-eight projects with a value of £357 million, started during or before 2023/24 or are due to start in 2024/25. This investment is endorsed by Council and aims to meet the recognised investment needs of the University in order to fulfil the key aims of Sussex 2025. This investment also reflects a temporary pause of nine projects with a value of £103 million, following Council's review of project delivery priorities.

During the year, £194 million was spent as part of ongoing investment in buildings, infrastructure and IT resilience on the campus. £178 million is capitalised to the University's balance sheet and £16 million is expensed as revenue. The University made a £160 million total investment in the West Slope Residential project, a service concession arrangement delivered in partnership with Balfour Beatty. The largest component of which was the £140 million capital contribution. A further £20 million was spent on enabling and preparatory work for the project and £34 million was invested in a range of estates and IT projects across the University's campus. £16 million of expenditure relates to annual maintenance projects including the refurbishment of buildings and other teaching spaces, roofing works and general upgrades. £7 million was spent on the Network Replacement Project, which is delivering a full upgrade of the University's IT network across the entire campus, including preparatory works for new underground network cabling and the procurement of hardware and equipment in readiness for installation. £11 million of expenditure relates to other IT projects, including the replacement of major corporate information systems including Student Information, Digital HR and the research management system.

Annual Report (continued)

FINANCING, CASHFLOW AND LIQUIDITY

The University manages its liquidity by holding sufficient current asset investments, cash and cash equivalents to meet its financial obligations as they become due, while ensuring that the cost of finance is kept to a minimum. The terms under which liquidity is managed are set out in the University's Treasury Management Policy, which is informed by published Chartered Institute of Public Finance and Accountancy (CIPFA) guidance and is approved by Council annually.

A formal policy on borrowing and financing was approved by Council in 2009 and was revised when Council agreed a new borrowing limit of £200 million in March 2017. Higher Education Funding Council for England (HEFCE) permission to increase borrowings was received, as required under the accounts direction at the time. HEFCE was replaced in 2018 by the UK Research and Innovation (UKRI) and the Office for Students (OfS).

The University took out a £40 million long-term non-amortising interest-only facility with Barclays Bank plc – which was fully drawn by 2009/10 – and £50 million of amortising term funding from Lloyds Bank plc. Around half of these borrowings were arranged on an interest-only non-amortising basis. Council gave its approval for a private placement of £100 million in April 2017. The private placement for £100 million was entered into in September 2017. The private placement was arranged so that no more than £50 million of long-term non-amortising debt matures in any five-year period from 2039 onwards.

Over recent years the University has managed its finances to consistently generate net operating cash surpluses. A net operating cash inflow of £24.5 million (£35.2 million in 2022/23) was achieved, which funded that year's capital investment.

The University holds £81.1 million in current asset investments, which include £9.9 million of investments held in support of restricted endowment reserves. The remaining £71.3 million is held in cash and investments which are segmented based on our predicted cashflows with approximately 14% held for use within one year (short term) and 86% held for investment of between one and five years (medium term). These durations reflect our intention to hold these investments. However, they all have liquidity of short duration.

The University also has a Socially Responsible Investment Policy and has appointed an appropriate investment manager to manage its non-cash investments in accordance with this policy.

PENSIONS

The University participates in three pension arrangements that carry different accounting treatments under financial reporting standard FRS102. Details are set out in the notes to the accounts.

A total pension asset of £2.1 million is recognised on the consolidated balance sheet in respect of the University of Sussex Pension and Assurance Scheme (USPAS).

The USPAS scheme is a defined benefit scheme and so the accrued cost of the scheme obligation is accounted for, against the recognisable assets in the year. The USPAS scheme was closed to new entrants on 1 April 2009. FRS102 valuation methods show a surplus in this scheme at 31 July 2024 and an asset of £2.1 million is reflected in these accounts given that it has been judged that this element of the scheme surplus would be ultimately returned to the University under the rules of the scheme.

The USS is a defined benefit multi-employer scheme with no basis to accurately identify our share of the assets and liabilities, so we do not make a balance sheet provision for our share of the deficit. However, the University provides for an obligation that is the net present value of future payments that will be made into the scheme under the deficit recovery plan.

The March 2020 valuation and Leg 1 of the associated statement of contributions, agreed by the Joint Negotiating Committee (JNC) in April 2022, resulted in the need for the University to pay deficit recovery contributions of 6.3% of the pensionable payroll for 17 years ending in March 2038. In cash terms, this was around £6.0 million per annum, rising to £8.2 million. The revised provision for the deficit obligation under this valuation, coupled with a large increase in the discount rate to be applied to the scheme liabilities, resulted in a decrease of £14.2 million on the 2021/22 year-end provision. The deficit recovery payments formed part of combined past and future service contributions that were budgeted and were only marginally above current combined employer contributions.

The USS valuation subsequently undertaken as at 31 March 2023 resulted in a surplus and a further decrease on the 2022/23 year-end provision of £81.7 million. The previous provisions made for future recovery plan payments were released when the valuation was signed off earlier in the year, with deficit recovery contributions no longer being required from 1 January 2024.

The University of Sussex Pension and Savings Scheme (USPSS) is a defined contribution scheme with life and health assurance benefits. The annual cost of this scheme is recognised in the Income and Expenditure Account and there is no risk of costs to the University changing retrospectively once a year is complete.

Annual Report (continued)

RESERVES

Consolidated reserves have increased by £91.1 million to £504.6 million at the balance sheet date 31 July 2024 compared to £413.5 million on 31 July 2023, reflecting the reduced deficit due to the Universities Superannuation Scheme (USS) actuarial loss for the year.

Reserves represent the accumulated accounting surpluses and deficits that the University has attained over many years through its income and expenditure account. This is different from its cash position which will be considerably lower, partly due to cash spent on capital expenditure. £21.1 million of these reserves represent endowment reserves, which can only be utilised for specific purposes in accordance with the corresponding endowment agreement.

TRADE UNION FACILITY TIME

The number of University employees who were union officials in the year to 31 March 2024 was 39 (38.9 Full-Time Equivalent – FTE) compared to 38 (FTE 35.7) the previous year. 38 of these employees spent 50% or less of their time working on facility time, with one employee spending more than 50%. The percentage of the University's total pay bill spent on paying union officials for facility time was 0.11% compared to 0.12% last year. The percentage of time spent on paid trade union activities as a percentage of total paid facility time hours was 5.03%.

ENVIRONMENTAL REPORTING

In line with recent reporting requirements, this is the third year that the University has provided information on greenhouse gas (GHG) emissions as part of its financial statements. The University, as part of its sustainability programme, actively seeks to manage and reduce its carbon footprint via CO₂ emissions in all its activities, including energy consumption and the use of fuel for transportation.

CO₂ emissions were 8,077tCO₂ for gas compared to 10,904tCO₂ in 2022/23 and 0tCO₂ for electricity compared to 0tCO₂ the previous year.¹ Energy consumption was 43.3m kWh for gas (59.6m kWh the previous year) and 14.6m kWh for electricity (15.4m kWh the previous year).

Movements from the prior year figures are due to overstated gas consumption due to billing issues and inaccurate estimated billing during the Combined Heat and Power (CHP) refurbishment work. The imported electricity has noticeably reduced due to greater utilisation of the CHP (self-generation) following the recent refurbishment.

¹ We have used market-based reporting to calculate our carbon emissions for the current and prior year to reflect the carbon benefits of our procurement strategy. Under location-based reporting, our CO₂ emissions for electricity would be 3,488tCO₂ for 2023/24 compared to 3,197tCO₂ for 2022/23.

FUTURE OUTLOOK

The budget approved by Council in summer 2024 anticipated a decline in student recruitment and identified short and medium-term measures which led to £44 million of savings for 2024/25 against earlier projections. 2024/25 student intake then saw a further reduction in tuition fee income compared to the approved budget, requiring additional savings. In response to this fall in student numbers and related income, the University initiated a voluntary leavers scheme in 2024/25 to reduce staff costs from 2025/26.

In addition to these measures to manage expenditure, the capital programme was reviewed, pausing uncommitted capital expenditure, reducing costs and so, conserving cash. This has ensured greater financial resilience.

Alongside actions taken to reduce costs, there is a concentrated focus on improving student recruitment. We also continue to focus on growth of other sources of income. We will continue to invest in significant improvements to the University that will positively impact student recruitment and the student experience. We are determined that the challenges we face now will not alter the ambition of Sussex 2035 to be a first choice university for ambitious and forward-thinking students and staff, and to make world-changing contributions through our strategic focus on environmental sustainability, human flourishing, and digital and data futures.

Annual Report (continued)

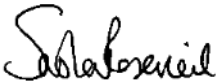
GOING CONCERN

The measures taken to reduce costs, including investment in severance payments for the voluntary leavers scheme in 2024/25, have been carefully planned to ensure the University remains compliant with ongoing financial covenants with our lenders. Lenders and key stakeholders have been supportive of the University's plans throughout.

The University continues to monitor performance and update our financial projections to ensure that we are tracking in line with expectation and are fully compliant. We have commenced our Annual Business Planning process, which will ensure that we continue to drive our recovery plan and income growth, to meet future financial obligations and, consequently, to continue operating successfully.



Rosemary Martin
Chair of Council



Professor Sasha Roseneil
Vice-Chancellor and President



Corporate Governance

The University is committed to best practice in all aspects of corporate governance.

This statement describes the manner in which the University actively applies the principles set out in the Committee of University Chairs (CUC) Governance Code of Practice published in September 2020, and the Office for Students' (OfS's) Public Interest Governance Principles. Its purpose is to help the reader of the financial statements understand how the principles have been applied and, in line with the OfS's Accounts Direction, sets out a description of the University's corporate governance arrangements and a statement of the responsibilities of the governing body. This statement applies to the financial year to 31 July 2024 and the period up to the date of approval of the financial statements.

ADEQUACY AND EFFECTIVENESS OF CORPORATE GOVERNANCE ARRANGEMENTS

The adequacy and effectiveness of the University's corporate governance arrangements are ensured through a variety of mechanisms, including regular effectiveness reviews both of Council and its Committees both internally and with external input. An independent Governance Effectiveness Review was undertaken by Halpin from March-July 2021. Council received assurance in March 2023 that 30 of 32 recommendations had been implemented. Of the remaining two, it was decided these were not appropriate for Sussex at this time and Council was assured that the remaining actions had been integrated into business-as-usual planning. Council also undertook an informal review of its effectiveness in January 2024 and the themes from the review were reported to Council in March 2024. The Audit and Risk Committee's (ARC) effectiveness was reviewed by Halpin with a report presented in March 2020. Additionally, the University continues to assess its compliance against the CUC Code, and the 2021 Halpin review has assessed the University's compliance with the new version of the code published in September 2020. The membership of Council includes 13 independent non-staff or non-student members who are appointed based on their skills and experience via a thorough recruitment process; this ensures that a wide range of skills and diversity contribute to the decision-making processes. Formal minutes are taken of all Council and sub-committee meetings to ensure that decision making is recorded appropriately and that decisions are made in line with the University's Scheme of Delegation. The University's Scheme of Delegation was revised over the 2023/24 academic year and approved by Council in July 2024.

TRANSPARENCY OF CORPORATE GOVERNANCE ARRANGEMENTS

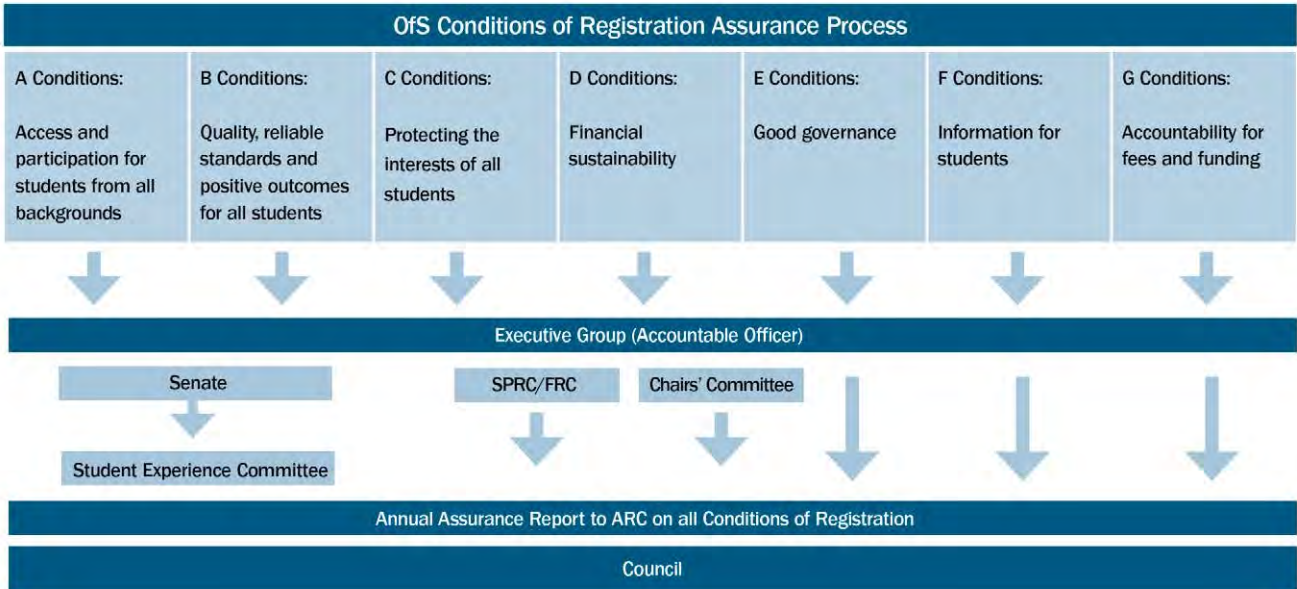
The University is committed to transparency regarding its governance arrangements and ensures this through publication of governing documents on its internal platform, Sussex Direct, including terms of reference and membership of Committees, and publication of Council and Committee papers where practicable. Approved Council minutes are published annually on the University's website. The Chair of Council provides an internal update to all staff following each full meeting of Council and at other relevant points to ensure that decisions of Council are communicated clearly and transparently as appropriate.

OVERSIGHT OF STATUTORY AND OTHER REGULATORY RESPONSIBILITIES

In September 2018, the University was formally entered in the Register for English Higher Education providers held by the OfS and, following the end of the Transition Period, has been subject to the ongoing Conditions of Registration, including the Public Interest Governance Principles. Compliance with each Condition of Registration is considered on a rolling basis, with an annual assurance report presented to Audit and Risk Committee and Council from the Vice-Chancellor and President (the University's Accountable Officer) and the Committees who have oversight of each area. Additionally, during 2023/24, and to the date of signing the financial statements, Council and its sub-committees have received regular updates on the changing regulatory environment including potential additional conditions of registration to regulate freedom of speech compliance and to protect students from harassment and sexual misconduct.

Corporate Governance (continued)

OFS CONDITIONS OF REGISTRATION



In addition to the OfS's Conditions of Registration, the University is subject to the OfS's Terms and Conditions of Funding. The University is also subject to: UKRI Terms and Conditions of Funding – these include relevant Health and Safety Executive regulations; the Home Office (with regard to both Visas and Licences); the Human Tissue Authority; and the Competition and Markets Authority (CMA). University Executives have responsibility as Licence Holders in each of these areas. A review is undertaken annually to ensure ongoing compliance and any compliance issues are reported to Audit and Risk Committee by exception.

SUMMARY OF THE UNIVERSITY'S STRUCTURE OF CORPORATE GOVERNANCE

The University is an independent corporate body whose legal status derives from a Royal Charter. Its objects, powers and framework of governance are set out in the Charter and supporting Statutes.

The Charter and Statutes establish three separate bodies – Council, Senate and Court (the latter known as the Sussex Annual Forum) – each with clearly defined functions and responsibilities to manage and oversee the University's activities.

CHARTER AND STATUTE BODIES

The matters specially reserved to Council for decision are determined:

1. by Council's own decision as set out in the Regulations
2. under the Terms and Conditions of Research England Grant (from August 2021)

3. under the Terms and Conditions for Higher Education Institutions published by the Office for Students (from July 2021).

Council holds the responsibility for the ongoing strategic direction of the University, the monitoring of institutional effectiveness and the approval of major initiatives. It receives regular reports on the day-to-day operations of the University and its subsidiary companies.

Council is made up of independent, professional services, academic and student members appointed or elected under the Statutes and Regulations of the University. The majority are independent, non-staff, non-student members. The roles of Chair and Vice-Chair of the Council are separate from the role of the University's Chief Executive, (the Vice-Chancellor and President). Council has a membership of up to 25 comprised of: the Vice-Chancellor and President; Deputy Vice-Chancellor and Provost; up to 15 independent members appointed by Council; three members of Senate; two other members of the academic staff; one member of professional services staff; the President of the Students' Union; and a representative from the Postgraduate Researcher School. In 2022, Council approved a recommendation to reduce its size to 23 members, reducing independent members from 15 to 13, and elected academic members from 2 to 1. It was agreed that the change in size of Council would be achieved over time as members' terms came to an end. Council meets at least three times a year. During 2023/24 academic year and up until the approval of these statements, it met six times including a Council away day. There are six sub-committees of Council, Senate, and one joint committee with the University of Brighton.

Corporate Governance (continued)

In May 2023, a new Chair of Council was appointed with immediate effect, fulfilling the remainder of the predecessor's term before beginning their three-year term from 1 August 2023. In November 2023, in line with Regulations, Council approved the appointment of a Vice-Chair of Council from amongst the independent members of Council, for a period of three years. The Vice-Chair of Council is also the Chair of the Finance and Resources Committee.

Subject to the outcomes of the Office for Students' investigation and on the basis of the information available to it as at 28 February 2025, the University considers itself compliant with the key recommendations of the Committee of University Chairs (CUC) Code of Governance and the Office for Students' Public Interest Governance Principles. Council received an internal compliance report on how the University's upholds the Public Interest Governance Principles in March 2024.

MEMBERSHIP OF COUNCIL AND ATTENDANCE

Independent members of Council are appointed for an initial three-year term, which can be extended twice making a total permissible period on Council of nine years. Members of Council are also trustees of the University as an exempt charity under the Charities Act 2011. Those members listed below were members of Council during 2023/24 or have joined Council between the year-end and the date of the financial statements being signed.

Attendance during 2023/24 at sessions of Council is as set out below. There were three full meetings of Council during the 2023/24 academic year, in November 2023, March 2024 and July 2024. There were two additional meetings held in May 2024 and November 2024 to manage additional business that fell outside of the normal cycle of business. There were two full meetings of Council between July 2024 and up until the signing of these statements.

Regulation 4 sets out the criteria for removal of Council members. Any member, other than an ex-officio member, who fails to attend three ordinary meetings of Council in a row will be deemed to have resigned from Council unless Council considers that there are exceptional circumstances.

Name	Status	Start date on council	Term	Current end date	Attendance						
					8 Nov 23	24 Nov 23	22 Mar 24	20 May 24	24 July 24	18 Nov 24	29 Nov 24
Rosemary Martin	Independent (Chair)	14 Dec 2017	3	14 Dec 2026	✓	✓	✓	✓	✓	✓	✓
Tony Bullman	Independent (Vice-Chair)	1 Aug 2018	3	31 Jul 2027	✓	✓	✓	✓	✓	✓	✓
Susan Angoy	Independent	1 Jan 2023	1	31 Dec 2026	A	✓	A	✓	✓	✓	✓
Professor Stephen Caddick	Independent	21 Mar 2018	3	20 Mar 2027	✓	✓	✓	✓	✓	✓	✓
David Curley	Independent	1 Aug 2018	2	31 Jul 2027	✓	✓	✓	A	✓	A	✓
Mark Devlin	Independent	1 Oct 2017	3	31 Jul 2026	✓	✓	✓	✓	✓	✓	✓
Katie Ghose	Independent	24 Sep 2015	3	31 Jul 2024	✓	✓	✓	✓	✓	N/A	N/A
Professor Paul O'Prey	Independent	1 Aug 2021	1	31 Jul 2024	✓	A	✓	✓	✓	N/A	N/A
Jane Parsons	Independent	1 Aug 2016	3	31 Jul 2025	✓	✓	✓	✓	✓	✓	✓
Aleema Shivji	Independent	15 Nov 2018	2	14 Nov 2024	✓	✓	✓	A	✓	N/A	N/A

Corporate Governance (continued)

Name	Status	Start date on council	Term	Current end date	Attendance						
					8 Nov 23	24 Nov 23	22 Mar 24	20 May 24	24 July 24	18 Nov 24	29 Nov 24
Nick Watson	Independent	12 Mar 2020	2	31 Jul 2026	A	✓	A	✓	✓	A	✓
Richard Zaltzman	Independent	26 Mar 2020	2	31 Jul 2026	✓	✓	✓	A	✓	✓	✓
Professor Miriam Zukas	Independent member	1 Aug 2023	1	31 Jul 2026	✓	✓	✓	✓	✓	✓	✓
Professor Sasha Roseneil	Ex-officio (Vice-Chancellor)	1 Aug 2022	N/A	N/A	✓	✓	✓	✓	✓	✓	✓
Professor Michael Luck	Provost	1 Sep 2023	N/A	N/A	✓	A	✓	✓	✓	✓	✓
Rose Linehan	Ex-officio (USSU)	23 July 2022	1	23 Jul 2024	✓	✓	A	A	✓	N/A	N/A
Josh Francis	Ex-officio (PGR)	1 Aug 2023	1	31 Jul 2024	✓	✓	A	A	✓	N/A	N/A
Professor Sara Crangle	Elected by Senate	7 Sep 2020	2	31 Jul 2026	✓	✓	✓	✓	✓	✓	✓
Professor Kristine Langhoff	Elected by Senate	1 Aug 2022	1	31 Aug 2025	✓	✓	✓	✓	✓	✓	✓
Professor Jo Moran-Ellis	Elected by Senate	1 Jan 2022	1	18 Jan 2025	✓	✓	✓	✓	✓	A	✓
Pippa Robinson	Elected by Professional Services staff	1 Aug 2023	1	31 July 2026	✓	✓	✓	✓	✓	✓	✓
Professor Gordon Finlayson	Elected by academic staff	1 Oct 2022	1	31 Jul 2025	✓	✓	A	✓	✓	✓	✓
Professor Charlotte Skeet	Elected by academic staff	1 Aug 2021	1	31 Jul 2024	✓	✓	✓	✓	✓	N/A	N/A
Ashtar Antonie	Independent	1 Aug 2024	1	31 July 2017	N/A	N/A	N/A	N/A	N/A	✓	✓
Stanley Alozie	Independent	1 Aug 2024	1	31 July 2017	N/A	N/A	N/A	N/A	N/A	✓	✓
Sherene Jose	Independent	1 Aug 2024	1	31 July 2017	N/A	N/A	N/A	N/A	N/A	✓	✓
Lewis Wilson	Ex-officio (USSU)	1 Aug 2024	1	31 July 2025	N/A	N/A	N/A	N/A	N/A	✓	✓
Tago Amiani	Ex-officio (PGR)	1 Sep 2024	1	31 July 2025	N/A	N/A	N/A	N/A	N/A	✓	✓
Dr Gerhard Wolf	Elected by Senate	1 Sep 2024	1	31 July 2027	N/A	N/A	N/A	N/A	N/A	✓	✓

Corporate Governance (continued)

Senate is the main academic body of the University and draws its membership entirely from the staff and students of the University. Its principal role is to direct and regulate the teaching and research of the University. It oversees quality assurance and standards of education provided by the University.

Court (Sussex Annual Forum) is an annual meeting to promote the research, teaching and interests of the University to the local area, enhance relationships with businesses to strengthen placement opportunities and provide an opportunity for networking.

COMMITTEE STRUCTURE IN OPERATION IN THE 2023/24 ACADEMIC YEAR

Audit and Risk Committee (ARC) provides oversight of the University's risk management, control and governance arrangements. It ensures that mechanisms exist for economy, efficiency and effectiveness in the University's activities and advises Council on the University's internal and external audit arrangements and on all Financial Reporting matters.

Its membership comprises a Chair with appropriate financial, accounting or audit qualifications and experience appointed by Council from amongst the independent members, plus four independent members of Council who are not members of the committee with financial oversight (Finance and Resources Committee), and a staff member of Council. It may co-opt up to two other independent members from outside of Council with financial, accounting or audit experience. Although University Executives attend meetings of the Audit and Risk Committee as necessary, they are not members.

The Chair has full and direct access to both internal and external auditors throughout the year. In 2023/24 up until the approval of these statements, ARC met six times for planned meetings.

Chairs' Committee was set up in August 2018 to fulfil the role of a Nominations Committee and to coordinate the activities of Council sub-committees. It is chaired by the Chair of Council and its membership comprises all Council Committee Chairs and the Vice-Chancellor. In 2023/24 and to the date of signing these financial statements, Chairs' Committee met seven times.

Finance and Resources Committee (FRC) was set up in April 2023. The Committee provides oversight of the University's financial planning, resource management, capital, and investment strategy. Scrutiny of overall performance of the University in line with financial plans, value for money and proposals for capital investment and maintenance, including monitoring benefit realisation of major projects. In 2023/24 and to the date of signing these financial statements, Finance and Resources Committee met six times.

The University has two separate Remuneration Committees, Remuneration Committee (A) and Remuneration Committee (B).

Remuneration Committee (A) is solely to determine, review and report on the remuneration of the Vice-Chancellor and President.

Remuneration Committee (B) determines the principles and strategy for the reward of all staff excluding the Vice-Chancellor and President. It also determines the remuneration of the Deputy Vice-Chancellor and Provost, Pro-Vice-Chancellors, Chief Operating Officer and University Secretary and the framework for the remuneration of the broader University Leadership Team and Professoriate. Both Committees are chaired by an independent member of Council who is not chair of any other committee.

The membership of both Committees includes the Chair of Council, the Chair of Strategy and Performance Committee, the Chair of Finance and Resources Committee (who is also the Vice-Chair of Council), and the Chair of Audit and Risk Committee. The Vice-Chancellor and President is not a member of either Remuneration Committee and only attends meetings of Remuneration Committee (B) regarding staff pay. In 2023/24 and to the date of signing these financial statements, Remuneration Committee A met four times, and Remuneration Committee B met four times.

Strategy and Performance Committee (SPC) was established in April 2023. The Committee is responsible for oversight of the development and implementation of the long-term institutional strategy and the enabling strategies, scrutiny of performance against Key Performance Indicators/Targets and the effectiveness of people and equality, diversity and inclusion initiatives. In 2023/24 and to the date of signing these financial statements, the Strategy and Performance Committee met five times.

Student Experience Committee (SEC) was set up in August 2018 to apply a student-focused filter to the work of the University and to reflect this back to Council, and particularly to ensure that the voices of students from all backgrounds and experiences were heard and acknowledged. In July 2024, Council passed a resolution to retire the Committee and revise how Council hears the student voice. In SEC's place, an independent member of Council and an academic member of Council attend the Student Experience Forum (a sub-committee of Senate); which enables members of Council to hear directly from student representatives from across the University. In 2023/24 and to the date of signing these financial statements SEC met three times.

Corporate Governance (continued)

Brighton and Sussex Medical School Joint Board with its current remit and membership was established in December 2017. The Joint Board is responsible to the Board of Governors of the University of Brighton and Council of the University of Sussex for, amongst other matters, determining the strategic objectives for the Medical School and monitoring performance against these objectives, oversight of the academic activities of the School and the administration of students via the Board's sub-committees, and oversight of an annual revenue and capital budget in the context of a five-year plan. In 2023/24 and to the date of signing these financial statements, Brighton and Sussex Medical School Joint Board met five times.

VICE-CHANCELLOR AND PRESIDENT

The Vice-Chancellor and President, appointed by Council after consultation with Senate, is the Chief Academic and Administrative Officer and responsible for the day-to-day management of the University. As Chief Academic Officer, the Vice-Chancellor and President is Chair of Senate and, in the absence of the Chancellor, confers degrees.

The Vice-Chancellor and President may delegate certain responsibilities in accordance with the management structure of the University to Senior Officers, Executive Deans, Heads of Schools, Heads of Departments, Professional Services Directors, as set out in job descriptions, schedule of delegation, policy, and financial regulations. Where the Vice-Chancellor and President delegates authority, they remain accountable to Council.

Under the Terms and Conditions for Higher Education Institutions published by the Office for Students and the Terms and Conditions of Research England Grant the Vice-Chancellor and President is the Accountable Officer of the University.

In January 2022, Council appointed Professor Sasha Roseneil as the Vice-Chancellor and President and Accountable Officer from 1 August 2022.

EXECUTIVE GOVERNANCE

The University's executive governance function supports the Vice-Chancellor and President in the day-to-day management of the University and in realising the University's strategic and operational objectives, subject to Council's oversight.

The University's executives, or University Executive Team (UET), meets weekly most weeks of the year to formally advise the Vice-Chancellor and President. In 2023/24 the Vice-Chancellor and President introduced thematic Boards to improve and make more efficient executive discussion and advice. These met in addition to ordinary UET Board meetings and were constituted by all UET members plus relevant subject specialists.

In 2023/24, UET Boards themes were Academic Performance Improvement, Capital Strategy and Investment, Environmental Sustainability, Financial Planning and Monitoring, Global and Civic Engagement, People and Culture, and Risk Management. At the end of 2023/24 an informal review was carried out, and some further changes were introduced for 2024/25.

PUBLIC FUNDING

The University is in receipt of public funding from the Office for Students (OfS); Research England; the Department for Education (DfE); and the Education and Skills Funding Agency (ESFA). To ensure regularity and propriety in the use of this public funding, Council has taken reasonable steps, through its senior officers and Audit and Risk Committee to:

- ensure that funds from the OfS and Research England are used only for the purposes for which they have been given and in accordance with the terms and conditions of funding for higher education institutions issued by the OfS and the terms and conditions of Research England Grant;
- ensure that funds from the DfE are used only for the purposes for which they have been given and in accordance with the Funding Agreement with the DfE and any other conditions which the DfE 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 to prevent and detect fraud and other irregularities;
- secure the economical, efficient and effective management of the University's resources and expenditure in line with its Value for Money Policies and processes;
- ensure that value for money considerations are embedded in all decision-making processes by strengthening the Terms of Reference for all Council Committees in 2020, making the focus on value for money an explicit consideration in decision making.

PUBLIC BENEFIT STATEMENT

The University is an exempt charity within the meaning of Schedule 3 of the Charities Act 2011 and members of Council are also trustees. Under the provisions of the Charities Act 2011, charities are required to demonstrate explicitly how they provide public benefit. Under the Act, since 1 April 2018 the Office for Students has been the principal regulator of English higher education institutions that are exempt charities and thus of the University of Sussex.

Corporate Governance (continued)

The University's Council, in setting and reviewing institutional objectives and activities, has taken into consideration the Charity Commission's guidance on the reporting of public benefit which requires: that there must be clearly identifiable benefits related to the aims of the charity; that the benefits must be to the public or to a section of the public; that where the benefit is to a section of the public, the opportunity to benefit must not be unreasonably restricted by geographical or other restrictions or by ability to pay fees; that people in poverty must not be excluded from the opportunity to benefit.

The objectives of the University as set out in its Royal Charter are: "to advance learning and knowledge by teaching and research to the benefit of the wider community". These align closely with three of the charitable purposes set out in the Charities Act 2011:

- the advancement of education;
- the advancement of the arts, culture, heritage, or science;
- the advancement of citizenship or community development.

The University brings a wide range of public benefits to individual students and to society as a whole through the quality of education provided and the quality of students who leave the institution and enter work and/or undertake community-based activities as well as through the dissemination and practical application of our research.

INCIDENTAL PRIVATE BENEFITS

The University is aware that certain activities may confer private benefit on employees (other than their core employment remuneration), especially in relation to consultancy. The University therefore has in place strict contractual policies to ensure that the public interest and wider public benefit are protected by requiring that rewards to individual staff are paid out of additional income, over and above the full economic cost of the University's activity, which is the first call on revenues generated in such activity. Income is shared between the University and the academic consultant beyond this limit and is such that private benefit conferred is incidental to the public benefit of our education and research mission.

STATEMENT ON INTERNAL CONTROL

SCOPE OF RESPONSIBILITY

Council, as the governing body of the University, has responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which it is responsible, in accordance with the responsibilities assigned to it in the Charter and Statutes and the Terms and Conditions for Higher Education Institutions published by the Office for Students and the Terms and Conditions of the Research England Grant.

This statement of internal control relates to the University's arrangements for the prevention and detection of corruption, fraud, bribery and other irregularities for the year ended 31 July 2024 and to the date of approval of the financial statements.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system is based on an ongoing process designed to identify the principal risks, to evaluate the nature and extent of those risks, and to manage them efficiently, effectively and economically.

The University has a suite of policies in place to ensure early detection of corruption, bribery, fraud and other irregularities. Incidents are reported by exception to Audit and Risk Committee.

A Register of Members' Interests is maintained by the Chief Operating Officer and University Secretary, which includes details of independent members of Council, and of senior officers and members of staff who have significant financial authority or access to privileged information. Council members' Register of Interests is published on the University's website. All staff are required to declare relevant conflicts of interest and recuse themselves from decision-making processes when appropriate.

Staff are also required to declare hospitality and gifts both given and received with a value over £100, and to seek approval before doing so, and a central Register is maintained by the Governance Office.

A central Raising Concerns process allows for all concerns, financial or otherwise, to be raised and investigated in line with the University's Public Interest Disclosure Policy. This includes routes for investigation into senior staff without including them in the whistleblowing process.

The Financial Regulations, Anti Bribery-Policy, Anti Money-Laundering Policy, Donations Policy, and Counter Fraud Policy are all reviewed on a regular basis to ensure they continue to allow the University to uphold all relevant laws and its zero tolerance policy towards fraud, bribery and dishonesty in its transactions. All instances of fraud are reported to the Audit and Risk Committee.

REVIEW OF EFFECTIVENESS

Council's review of the effectiveness of the system of internal control is informed by the work of internal auditors, not employed by the University.

It is also informed by the Audit and Risk Committee, which has oversight of internal audit and reports annually to Council for its approval of the effectiveness of risk management and the system

Corporate Governance (continued)

of internal control. The University Executive has the responsibility for the development and implementation of an effective internal control framework which is informed by feedback from internal and external auditors.

CAPACITY TO HANDLE RISK

The following processes have been established to ensure the adequacy and effectiveness of arrangements for risk management:

- Council meets at least three times throughout the year to consider the plans and strategic direction of the University;
 - Council requires regular reports from University Officers on the steps they are taking to manage risks in their areas of responsibility, including progress reports on key projects;
 - Council receives periodic reports from the Chair of the Audit and Risk Committee concerning issues of risk, internal controls and their effectiveness;
 - The Audit and Risk Committee meets at least four times a year and receives regular reports from internal audit, internal audit's independent opinion on the adequacy and effectiveness of the institution's system of internal control, including the risk register, together with recommendations for improvement;
 - The internal control framework and audit programme approved by Audit and Risk Committee are based on an assessment of risk including an evaluation of the likelihood and impact of risks which could crystallise;
 - The Committee also receives an Annual Report from the Chief Financial Officer on compliance with the Financial Regulations and other key financial control policies and procedures;
 - The risk management framework considers business, operational, compliance, reputational and financial risk. It operates at multiple levels with significant risks and/or themes being escalated to the Institutional Risk Register;
 - Audit and Risk Committee receives reports and presentations from internal auditors, external auditors and University Executives and through these reports assures itself that there is a comprehensive system of risk management in operation throughout the year;
 - Audit and Risk Committee annually reviews the University's risk tolerance and appetite statement, which is approved by Council, to ensure that it remains relevant and appropriate to the current University and sector context;
- Risk management has been embedded at School and support unit level by ensuring that Heads of School and Directors of Professional Service Divisions, together with their management teams, undertake a detailed review of the risks facing each School or Division. Risks are reviewed in each cycle of business, with this review informing the Institutional Risk Register (and status of risks contained therein);
 - The Institutional Risk Register is reviewed by the Risk Management Board (a University Executive Team (UET) Board with additional subject specialists) termly prior to submission to Audit and Risk Committee. Members of the Risk Management Board use their knowledge of the University and the external environment to validate the Register;
 - A suite of key performance indicators has been developed to enable the Strategy and Performance Committee to monitor progress towards the achievement of strategic objectives, and risk management considerations are addressed specifically on all major projects and decision-making papers through the committee structure. Council is currently considering a new set of University 'Success Indicators' to enable monitoring of progress towards delivering the aims set out in Sussex 2035.

ROLE OF INTERNAL AND EXTERNAL AUDIT

Through the internal audit programme approved by Audit and Risk Committee, the University is able to gain assurance on the internal control environment and its performance in the delivery of value for money. The internal auditors' annual report includes a summary of the adequacy and effectiveness of value for money arrangements, and through other internal reports provides assurance on other internal control issues. The external auditors, in their audit report included in these financial statements and its management letter and other reports, are required to consider whether the information provided, including that relating to the internal control environment, is materially inconsistent with their knowledge obtained during the course of the audit or otherwise.

INTERNAL CONTROL WEAKNESSES OR FAILURES

During the year ended 31 July 2024 and to the date of signing the financial statements, no significant internal control weaknesses or failures have been identified.

Council acknowledges that it is responsible for ensuring that a sound system of internal control is maintained, and that it has reviewed the effectiveness of these arrangements as set out above, informed by the work of the internal auditors and senior managers in the University who have responsibility for the development and maintenance of the internal control framework, and by the comments made by the external auditor in its management letter and other reports.

Responsibilities of the University's Council

In accordance with the University's Charter of Incorporation, Council is responsible for the administration and management of the affairs of the University and is required to present audited Financial Statements for each financial year.

Council is responsible for ensuring the proper maintenance of accounting records and the preparation of Financial Statements ensuring that they 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 2019, other relevant accounting and financial reporting standards and within the Terms and Conditions for Higher Education Institutions agreed between the OfS and the University's Council.

Council, through its senior officers and the Finance and Resources and Audit and Risk Committees, is required to ensure that in the preparation of accounting statements:

- 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;
- Financial Statements are prepared on the going concern basis unless it is inappropriate to presume that the University will continue in operation.

In making an assessment of the University's ability to meet its future financial obligations and to continue to operate effectively as a going concern, the University has reviewed the following:

- A full financial forecast for the next two financial years to 31 July 2026, including Income and Expenditure, Balance Sheet and Cash Flow;
- Future student number forecasts and scenarios based upon latest available data sources;
- The financial risks and opportunities facing the University;
- Stress testing of future baseline cash-flows;
- The ability to meet future covenants.

Given the level of uncertainty, the University will continue to monitor student numbers, risks and opportunities, and will produce quarterly financial forecasts.

Council has concluded as a result of this assessment that the University is able to meet its future financial obligations, has sufficient financial resources to continue operating successfully as a going concern and therefore believes it is appropriate to prepare these accounts on the going concern basis.



Independent Auditor's Report to the Council of the University of Sussex

OPINION ON THE FINANCIAL STATEMENTS

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the University's affairs as at 31 July 2024 and of the Group's and the University's income and expenditure, gains and losses, changes in reserves and of the Group's and the University's cash flows for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

We have audited the financial statements of the University of Sussex ("the University") and its subsidiaries ("the Group") for the year ended 31 July 2024 which comprise Statement of Comprehensive Income, Balance Sheet, Consolidated Cash Flow Statement, Consolidated and University Statement of Changes in Reserves and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENCE

We are independent of the Group and the University in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the board members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the University's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the board members with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The Council is responsible for the other information. The other information comprises the information included in the Annual Report and Accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Council of the University of Sussex (continued)

OPINION ON OTHER MATTERS REQUIRED BY THE OFFICE FOR STUDENTS (OFS) AND UK RESEARCH AND INNOVATION (INCLUDING RESEARCH ENGLAND)

In our opinion, in all material respects:

- Funds from whatever source administered by the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation.
- Funds provided by the OfS, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions;
- The requirements of the OfS's Accounts Direction (OfS 2019.41) have been met.

We have nothing to report in respect of the following matters in relation to which the OfS requires us to report to you if, in our opinion:

- The University's grant and fee income, as disclosed in note 1 to the accounts, has been materially misstated.
- The University's expenditure on access and participation activities for the financial year, as has been disclosed in note 2.4 to the accounts, has been materially misstated.

RESPONSIBILITIES OF COUNCIL

As explained more fully in the Responsibilities of the University's Council, the Council are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council are responsible for assessing the Group and the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council either intends to liquidate the Group or the University or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

EXTENT TO WHICH THE AUDIT WAS CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

NON-COMPLIANCE WITH LAWS AND REGULATIONS

Based on:

- Our understanding of the Group and the sector in which it operates;
- Discussion with management and those charged with governance, including the Audit and Risk Committee;
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations;
- Direct representation from the Accountable Officer.

We considered the significant laws and regulations to be the Financial Reporting Standard 102, the Statement of Recommended Practice: Accounting for Further Education and Higher Education (FEHE SORP 2019), the OfS' Accounts Direction (OfS 2019.41) and UK tax legislation.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be registration with the Office for Students and their ongoing conditions of registration.

Independent Auditor's Report to the Council of the University of Sussex (continued)

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

FRAUD

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance, the Audit and Risk Committee and internal audit regarding any known or suspected instances of fraud.
- Obtaining an understanding of the Group's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Performing substantive procedures over management override and the completeness of research and other income.

Based on our risk assessment, we considered the areas most susceptible to fraud to be posting inappropriate journals to manipulate financial results and management bias in accounting estimates.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;

- Assessing significant estimates made by management for bias, including going concern assumptions; assumptions applied in calculation of pension scheme liabilities; determination of leased assets; impairment of tangible and intangible assets; useful economic lives of tangible fixed assets.

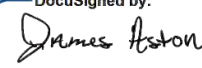
We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including component engagement teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the Council, as a body, in accordance with Section 75 of the Higher Education Research Act 2017 and the charters and statutes of the University. Our audit work has been undertaken so that we might state to the University's Council those matters we are required to state to them 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 University and the Council members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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James Aston MBE (Senior Statutory Auditor)
 For and on behalf of BDO LLP, Statutory Auditor
 Gatwick, UK

Date: 28 February 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



Statement of Comprehensive Income

	NOTES	YEAR ENDED 31 JULY 2024		YEAR ENDED 31 JULY 2023	
		CONSOLIDATED	UNIVERSITY	CONSOLIDATED	UNIVERSITY
		£'000	£'000	£'000	£'000
INCOME					
Tuition fees and education contracts	1.1	224,597	224,597	222,326	222,326
Funding body grants	1.2	37,644	37,318	40,356	39,928
Research grants and contracts	1.3	39,906	39,906	41,994	41,994
Other income	1.4	66,084	65,953	62,526	63,181
Investment income	1.5	8,291	7,784	7,698	7,372
Total income before endowments and donations		376,522	375,558	374,900	374,801
Donations and endowments	1.6	4,055	4,055	5,269	5,269
TOTAL INCOME		380,577	379,613	380,169	380,070
EXPENDITURE					
Staff costs before pension adjustment	2.1	193,661	183,083	174,960	165,122
Pension adjustment	2.1	(81,710)	(81,710)	(11,114)	(11,114)
Total staff costs		111,951	101,373	163,846	154,008
Other operating expenses	2.3	136,627	147,984	137,623	149,531
Depreciation	3	34,122	33,954	32,018	31,742
Interest and other finance costs	2.2	8,038	8,038	10,002	9,859
TOTAL EXPENDITURE		290,738	291,349	343,489	345,140
SURPLUS BEFORE OTHER GAINS		89,839	88,264	36,680	34,930
Gain/(Loss) on investments		6,394	6,394	(1,392)	(1,392)
SURPLUS BEFORE TAX		96,233	94,658	35,288	33,538
Taxation		(55)	(125)	(77)	(77)
SURPLUS FOR THE YEAR		96,178	94,533	35,211	33,461
Actuarial loss in respect of pension schemes	17	(5,176)	(5,176)	(2,126)	(2,126)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		91,002	89,357	33,085	31,335
Represented by:					
Endowment comprehensive income for the year	11	4,007	4,007	1,084	1,084
Unrestricted comprehensive income for the year		86,222	85,350	30,577	30,251
Non-controlling interest		773	-	1,424	-
		91,002	89,357	33,085	31,335
SURPLUS FOR THE YEAR ATTRIBUTABLE TO:					
Non-controlling interest		773	-	1,424	-
University		95,405	94,533	33,787	33,461

All items of income and expenditure relate to continuing activities.


The accompanying notes and policies on pages 38 to 68 form part of these financial statements.

Balance Sheet

	NOTES	YEAR ENDED 31 JULY 2024		YEAR ENDED 31 JULY 2023	
		CONSOLIDATED	UNIVERSITY	CONSOLIDATED	UNIVERSITY
		£'000	£'000	£'000	£'000
NON-CURRENT ASSETS					
Intangible assets	3	6,143	6,143	-	-
Tangible assets	3	450,814	451,584	430,207	426,776
Investments	5	23,525	18,257	13,158	7,848
		480,482	475,984	443,365	434,624
CURRENT ASSETS					
Stock		161	39	134	36
Trade and other receivables	6	68,560	77,048	53,373	66,787
Investments	7	81,125	81,125	215,940	215,940
Cash and cash equivalents		38,108	33,894	76,680	70,352
		187,954	192,106	346,127	353,115
Creditors: amounts falling due within one year	8	(111,806)	(113,197)	(111,204)	(110,056)
NET CURRENT ASSETS		76,148	78,909	234,923	243,059
TOTAL ASSETS LESS CURRENT LIABILITIES		556,630	554,893	678,288	677,683
DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	6	132,148	132,148	-	-
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	9	(183,557)	(183,551)	(186,737)	(186,421)
PROVISIONS					
Pension provisions	10	2,104	2,104	(76,415)	(76,415)
Other provisions	10	(2,763)	(50)	(1,658)	(166)
TOTAL NET ASSETS		504,562	505,544	413,478	414,681
RESTRICTED RESERVES					
Income and expenditure reserve – endowment reserve	11	21,100	21,100	16,377	16,377
UNRESTRICTED RESERVES					
Income and expenditure reserve – unrestricted		480,522	484,079	393,510	397,939
Capital Reserve		1,802	-	1,802	-
Revaluation reserve		365	365	365	365
		503,789	505,544	412,054	414,681
Non-controlling interest		773	-	1,424	-
TOTAL RESERVES		504,562	505,544	413,478	414,681

The accompanying notes and policies on pages 38 to 68 form part of these financial statements.

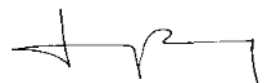
The financial statements were approved and authorised for issue by the Governing Body on 28 February 2025 and were signed on its behalf on that date by:



Professor Sasha Roseneil, Vice-Chancellor and President
(Accountable Officer)



Rosemary Martin, Chair of Council



Jacinda Humphry,
Chief Financial Officer

Consolidated Cash Flow Statement

	NOTES	YEAR ENDED 31 JULY 2024 £'000	YEAR ENDED 31 JULY 2023 £'000
CASH FLOW FROM OPERATING ACTIVITIES			
Surplus for the year		96,178	35,211
ADJUSTMENT FOR NON-CASH ITEMS			
Depreciation	3	34,122	32,018
(Gain)/Loss on investments	5	(1,271)	301
Increase in stock		(27)	(14)
Increase in debtors	6	(14,880)	(6,359)
Decrease in creditors	8	(1,743)	(7,304)
Decrease in pension provision		(83,695)	(16,355)
Increase in other provisions	10	1,105	772
ADJUSTMENT FOR INVESTING OR FINANCING ACTIVITIES			
Investment income	1.5	(8,291)	(7,698)
Interest payable	2.2	8,038	10,002
Operating Lease Income		(366)	(366)
Endowment income	11	(1,858)	(3,155)
Write down of discontinued capital project	3	-	360
Capital Grant Income		(2,821)	(2,193)
NET CASH INFLOW FROM OPERATING ACTIVITIES		24,491	35,220
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital grant receipts		2,821	2,193
Withdrawal of deposits		136,647	42,532
West Slope Lease Prepayment		(132,148)	-
Investment income received	1.5	7,984	7,956
Payments made to acquire fixed assets	3	(44,118)	(24,692)
New non-current asset investments	5	(10,270)	-
		(39,084)	27,989
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(8,020)	(10,012)
Interest element of finance lease		(16)	(20)
Endowment cash received		2,706	3,155
Distribution to non-controlling interest		(1,424)	(861)
Repayments of amounts borrowed	8	(2,408)	(2,389)
Capital element of service concession		(14,778)	(14,172)
Capital element of finance lease		(39)	(67)
		(23,979)	(24,366)
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS IN THE YEAR		(38,572)	38,843
Cash and cash equivalents at beginning of the year		76,680	37,837
Cash and cash equivalents at end of the year	19	38,108	76,680

The accompanying notes and policies on pages 38 to 68 form part of these financial statements.

Consolidated and University Statement of Changes in Reserves

	Income and Expenditure account		Capital Reserve	Revaluation Reserve	Total excluding non- controlling interest	Non controlling interest	Total
	Endowment	Unrestricted					
	£'000	£'000					
CONSOLIDATED							
BALANCE AT 1 AUGUST 2023	15,293	362,933	1,802	365	380,393	861	381,254
Distribution of non-controlling interest	-	-	-	-	-	(861)	(861)
	15,293	362,933	1,802	365	380,393	-	380,393
Surplus from the statement of comprehensive income	2,429	31,358	-	-	33,787	1,424	35,211
Other comprehensive income	-	(2,126)	-	-	(2,126)	-	(2,126)
Release of restricted funds spent in year	(1,345)	1,345	-	-	-	-	-
Total comprehensive income for the year	1,084	30,577	-	-	31,661	1,424	33,085
BALANCE AT 1 AUGUST 2023	16,377	393,510	1,802	365	412,054	1,424	413,478
Opening Balance Adjustment	716	790	-	-	1,506	-	1,506
Distribution of non-controlling interest	-	-	-	-	-	(1,424)	(1,424)
	17,093	394,300	1,802	365	413,560	-	413,560
Surplus from the statement of comprehensive income	4,399	91,006	-	-	95,405	773	96,178
Other comprehensive income	-	(5,176)	-	-	(5,176)	-	(5,176)
Release of restricted funds spent in year	(392)	392	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	4,007	86,222	-	-	90,229	773	91,002
BALANCE AT 31 JULY 2024	21,100	480,522	1,802	365	503,789	773	504,562
	Income and Expenditure account		Capital Reserve	Revaluation Reserve	Total excluding non- controlling interest	Non controlling interest	Total
	Endowment	Unrestricted					
	£'000	£'000					
UNIVERSITY							
BALANCE AT 1 AUGUST 2022	15,293	367,688	-	365	383,346	-	383,346
Income	2,429	31,032	-	-	33,461	-	33,461
Other comprehensive income	-	(2,126)	-	-	(2,126)	-	(2,126)
Release of restricted funds spent in year	(1,345)	1,345	-	-	-	-	-
Total comprehensive loss for the year	1,084	30,251	-	-	31,335	-	31,335
BALANCE AT 1 AUGUST 2023	16,377	397,939	-	365	414,681	-	414,681
Opening Balance Adjustment	716	790	-	-	1,506	-	1,506
Income	4,399	90,134	-	-	94,533	-	94,533
Other comprehensive loss	-	(5,176)	-	-	(5,176)	-	(5,176)
Release of restricted funds spent in year	(392)	392	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	4,007	85,350	-	-	89,357	-	89,357
BALANCE AT 31 JULY 2024	21,100	484,079	-	365	505,544	-	505,544

The accompanying notes and policies on pages 38 to 68 form part of these financial statements.



Statement of Principal Accounting Policies and Estimation Techniques

1. BASIS OF PREPARATION

The Consolidated and Institution financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education issued in 2019. They have also been prepared in accordance with the 'carried forward' powers and duties of previous legislation (Further and Higher Education Act 1992 and the Higher Education Act 2004) and the new powers of the Higher Education and Research Act 2017 during the transition period to 31 July 2019, the Royal Charter, the Accounts Direction issued by the Office for Students (OfS), the terms and conditions of funding for higher education institutions issued by the Office for Students and the terms and conditions of Research England Grant.

The Institution is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable UK laws and accounting standards.

In preparing the separate financial statements of the University, advantage has been taken of the following disclosure exemptions available in FRS102:

- No cash flow statement has been presented for the University.
- Related party transactions with wholly owned group entities are not disclosed.

Whilst there is uncertainty, Council do not assess there to be material uncertainty and has concluded that the University is able to meet its future financial obligations and has sufficient financial resources to continue operating successfully as a Going Concern. Council therefore considers it appropriate to prepare these accounts on a going concern basis.

2. BASIS OF ACCOUNTING

The consolidated financial statements include the financial statements of the University and its subsidiary undertakings for the financial year to 31 July 2024. These are Sussex Innovation Centre Development Limited, Sussex UH Limited, Sussex Estates and Facilities LLP, Sussex Innovation Centre Management Limited, Sussex U H ESR Holdco Limited, Sussex U H ESR Intermediateco Limited, Sussex UH WSR Holdco Limited and Sussex UH WSR Intermediateco Limited.

The consolidated financial statements do not include the income and expenditure of the Students' Union as the University does not exert control or dominant influence over policy decisions. The Students' Union is an independent charity with separate control.

The University's activities, together with the factors likely to affect its future development, performance and position, are set out in the Annual Report. The Annual Report also describes the financial position of the University, its cash flows, liquidity position and borrowing facilities. Council has a reasonable expectation that the University has adequate resources to continue in operational existence for the foreseeable future. Thus it continues to adopt the going concern basis of accounting in preparing the financial statements.

3. INCOME RECOGNITION

Grant funding including funding council grants, research grants from government sources and grants (including research grants) from non-government sources are recognised as income when the University is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

Tuition fee income is credited to the income and expenditure account in the year in which students are studying. Bursaries and scholarships are accounted for as expenditure and not deducted from income.

Capital grants are recognised in income when the University is entitled to the funds subject to any performance related conditions being met.

Sale of goods and services receipts are credited to the income and expenditure account at the time of supply to the customers or when the terms of the contract have been satisfied.

Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

Donations and endowments are non-exchange transactions without performance related conditions.

Donations and endowments with donor-imposed restrictions are recognised in income when the University is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

Donations with no restrictions are recognised in income when the University is entitled to the funds.

There are four main types of donations and endowments identified within reserves:

1. Restricted donations – the donor has specified that the donation must be used for a particular objective.

Statement of Principal Accounting Policies and Estimation Techniques (continued)

2. Unrestricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the University.
3. Restricted expendable endowments – the donor has specified a particular objective other than the purchase or construction of tangible fixed assets.
4. Restricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

Investment income and appreciation of endowments and investments is recorded in income in the year in which it arises and as either restricted or unrestricted income according to the terms or any other restriction applied to the individual endowment fund.

AGENCY ARRANGEMENTS

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

4. EMPLOYMENT BENEFITS

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to the University. Any unused benefits are accrued and measured as the additional amount the University expects to pay as a result of the unused entitlement.

Termination benefits are recognised as an expense in the year in which the University is demonstrably committed to terminate the employment of an employee before their normal retirement date, or to provide termination benefits as a result of an offer made as part of a voluntary redundancy scheme. Commitment is the point at which a detailed formal plan for the termination has been drawn up and the University is without realistic possibility of withdrawal. Termination benefits are measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

5. FINANCE LEASES

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease and the corresponding lease liabilities are initially recognised at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

6. SERVICE CONCESSION ARRANGEMENTS

Fixed assets held under service concession arrangements are recognised on the Balance Sheet at the present value of the minimum lease payments when the assets are brought into use with a corresponding financial liability.

Payments under the service concession arrangement are allocated between service costs, finance charges and financial liability repayments to reduce the financial liability to nil over the life of the arrangement.

7. OPERATING LEASES

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the minimum lease term.

8. TAXATION

The University is an exempt charity within the meaning of Part 3 of the Charities Act 2011, and, as such, is a charity within the meaning of Section 506 (1) of the Income and Corporation Taxes Act 1988. The University is recognised as a charity by HM Revenue & Customs. It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478–488 of the Corporation Tax Act 2010 (CTA 2010) 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. Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to fixed assets is included in their cost.

The University's subsidiaries are liable to Corporation Tax in the same way as any other commercial organisation.

Statement of Principal Accounting Policies and Estimation Techniques (continued)

In Sussex Innovation Centre Management Ltd deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are more likely than not to be recovered. Deferred tax assets and liabilities are not discounted.

9. ACCOUNTING FOR RETIREMENT BENEFITS

The two principal pension schemes for the University's staff are the Universities Superannuation Scheme (USS) and the University of Sussex Pension and Assurance Scheme (USPAS). The schemes are defined benefit schemes, which are externally funded. Each fund is valued every three years by professionally qualified independent actuaries.

The USS is a multi-employer scheme for which it is not possible to identify the assets and liabilities to University members due to the mutual nature of the scheme and therefore this scheme is accounted for as a defined contribution retirement benefit scheme.

A liability is recorded within provisions for any contractual commitment to fund past deficits within the USS scheme.

The University also has the University of Sussex Pension and Saving Scheme (USPSS) which is a defined contribution scheme.

DEFINED CONTRIBUTION PLAN

A defined contribution plan is a post-employment benefit plan under which the University pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

DEFINED BENEFIT PLAN

Defined benefit plans are post-employment benefit plans other than defined contribution plans. Under defined benefit plans, the University's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the University.

The University recognises a liability for its obligations under defined benefit plans net of plan assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets. The calculation is performed by a qualified actuary, using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which the University is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest are disclosed as actuarial gains and losses.

The cost of the defined benefit plan, recognised in expenditure as staff costs, except where included in the cost of an asset, comprises the increase in pension benefit liability arising from employee service during the period and the cost of plan introductions, benefit changes, curtailments, and settlements. The net interest cost is calculated by applying the discount rate to the net liability. This cost is recognised in expenditure as a finance cost.

Further detail is provided on the specific pension schemes in note 17 to the accounts.

10. FOREIGN CURRENCY

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in Surplus or Deficit for the financial year.

11. FIXED ASSETS

Fixed assets are stated at cost or deemed cost less accumulated depreciation and accumulated impairment losses. Land and buildings that had been revalued to fair value on or prior to the date of transition to the 2014 SORP are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Statement of Principal Accounting Policies and Estimation Techniques (continued)

No depreciation is charged on assets in the course of construction and a full charge for the year is made for assets brought into use during the year. No charge for depreciation is made in the year in which an asset is disposed of.

LAND AND BUILDINGS

Freehold land is not depreciated; freehold buildings are depreciated over their expected useful economic life of 50 years and improvements to buildings over 20 years. Leasehold land with an unexpired term of more than 50 years is not amortised. Leasehold land with an unexpired term of 50 years or less and leasehold buildings are amortised over the term of the lease up to a maximum of 50 years.

INFRASTRUCTURE

Campus Infrastructure assets are depreciated over a useful economic life of 10 years.

EQUIPMENT

Equipment, including computers and software, costing less than £10,000 per individual item or group of related items is written off in the year of acquisition. All other equipment is capitalised.

Capitalised equipment is stated at cost and depreciated over its expected useful life, as follows:

- general equipment – 5 years;
- equipment acquired for specific research projects – 3 years; and
- structural equipment – 10 years.

Where buildings and equipment are acquired with the aid of specific grants, the assets are capitalised and depreciated in accordance with the policy set out above, with the related grant credited to income in accordance with the performance model for capital grants.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable.

INTANGIBLE ASSETS

Intangible assets purchased separately are initially recognised at cost.

Subsequently, intangible assets are stated at cost less any accumulated amortisation and any accumulated impairment losses.

Software costs (including directly attributable implementation costs) of less than £10,000 per individual item or group of related items is written off in the year of acquisition. All other purchased software costs are capitalised.

External costs associated with the application development and implementation phases are capitalised, including costs associated with the acquisition of third-party software. Internal costs incurred to bring the software into use are also capitalised where they can be reliably measured and are directly attributable to the project.

Intangible assets are amortised over its expected useful life as follows:

- Major Management Information System developments – 8 years; and
- Software upgrades and systems – 5 years.

Internally generated intangible assets are written off as incurred.

IMPAIRMENT

A review for potential indicators of impairment is carried out at each reporting date. If events or changes in circumstances indicate that the carrying amount of the property, plant and equipment may not be recoverable, a calculation of the impact is completed and arising impairment values charged against the asset and to the SOCIE.

BORROWING COSTS

Borrowing costs are recognised as expenditure in the period in which they are incurred unless they are directly attributable to the acquisition, construction or production of a qualifying asset, where they are capitalised.

12. FINANCIAL INSTRUMENTS

The University has elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition, measurement, and disclosure of financial instruments. Financial assets and liabilities are recognised when the Institution becomes party to the contractual provision of the instrument and they are classified according to the substance of the contractual arrangements entered into.

A financial asset and a financial liability are offset only when there is a legally enforceable right to set off the recognised amounts and an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Statement of Principal Accounting Policies and Estimation Techniques (continued)

Investments in equity instruments which are not subsidiaries, associates, or joint ventures, and trading portfolios are initially measured at fair value, which is typically the transaction price. These assets are subsequently carried at fair value and changes in fair value at the reporting date are recognised in the statement of comprehensive income. Where the investment in equity instruments are not publicly traded and where the fair value cannot be reliably measured the assets are measured at cost less impairment.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instruments legal form. Financial liabilities are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

13. STOCKS

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell.

14. REPAIRS AND MAINTENANCE

Expenditure to ensure that a tangible fixed asset maintains its previously recognised standard of performance is recognised in the income and expenditure account in the period it is incurred.

15. CASH AND CASH EQUIVALENTS

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within three months without penalty.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. They include term deposits, government securities and loan stock held as part of the treasury management activities. They exclude any such assets held as endowment asset investments.

16. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised in the financial statements when:

- (a) the University has a present obligation (legal or constructive) as a result of a past event; or
- (b) it is probable that an outflow of economic benefits will be required to settle the obligation; or
- (c) a reliable estimate can be made of the amount of the obligation

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

A contingent liability arises from a past event that gives the University a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the University. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives the University a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the University.

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in the Notes.

17. ACCOUNTING FOR JOINT VENTURES AND ASSOCIATES

The University accounts for its share of transactions from its jointly controlled operation, in the Brighton and Sussex Medical School, in the Consolidated Statement of Comprehensive Income and the Balance Sheet.

The University accounts for the results of its associate, East Slope Residences Student Accommodation LLP, using the equity method of accounting.

18. INTRA-GROUP TRANSACTIONS

Gains or losses on any intra-group transactions are eliminated in full, on consolidation. Amounts in relation to debts and claims between undertakings included in the consolidation are also eliminated.

Balances between the University and its associates and joint ventures are not eliminated; unsettled normal trading transactions are included as current assets or liabilities. Any gains or losses are included in the carrying amount of assets of either entity.

19. RESERVES

Reserves are classified as restricted or unrestricted. Restricted endowment reserves include balances which, through endowment to the University, are held as a permanently restricted fund that the University must hold in perpetuity.

Other restricted reserves include balances where the donor has designated a specific purpose and therefore the University is restricted in the use of these funds.

Statement of Principal Accounting Policies and Estimation Techniques (continued)

20. SIGNIFICANT ESTIMATES AND JUDGEMENTS EXERCISED IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing these financial statements, the Council has made the following judgements:

- Determine whether leases entered into by the University either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease-by-lease basis.
- Determine whether there are indicators of impairment of the University's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.
- The critical underlying assumptions in relation to the estimate of the University of Sussex Pension and Assurance Scheme defined benefit scheme obligation such as standard rates of inflation, mortality, discount rate and anticipated future salary increases. Variations in these assumptions have the ability to significantly influence the value of the liability recorded and annual defined benefit expense.
- The underlying assumptions in relation to the estimate of the present value of the obligation in respect of the funding deficit plan for the USS pension scheme such as the salary inflation over the period of the funding deficit plan and the discount rate to be used.
- The determination as basic financial instruments of loan agreements that contain compensation clauses.

Other key sources of estimation uncertainty:

- Tangible fixed assets (note 3) are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- Trade debtors (note 6): the estimate for receivables relates to the recoverability of the balances outstanding at year-end. A review is performed on an individual debtor type basis to consider whether debts are recoverable. Commercial debts are considered on an individual basis.

In making an assessment of its ability to meet its future financial obligations and to continue operating effectively as a going concern, Management has undertaken the following:

- A full financial forecast for the next two financial years to 31 July 2026, including Income & Expenditure, Balance Sheet and Cash flow supported with detailed assumptions approved by Council in November 2024
- Constructed future student number forecasts with supporting assumptions and scenarios based upon latest available data sources, recognising that there is conservable volatility and uncertainty in both home and international student recruitment
- Incorporated savings identified as part of the summer 2024 budgeting and October 2024 forecasting process, and a revised capital programme reflecting pausing of projects
- Reflected an assumed take-up for the voluntary leavers scheme launched in November 2024, with associated severance cost in 2024/25 and ongoing savings from 2025/26
- Considered the financial risks and opportunities facing the University and conducted stress testing on future baseline cash-flows based on sensitivities on student income, residences income, cost savings identified and the uptake of the voluntary leavers programme
- Reviewed the ability to meet future covenants, reflecting covenant amendments agreed with University lenders

Given the level of uncertainty as well as reporting obligations to our lenders, management will continue to monitor student numbers, risks and opportunities and conduct quarterly financial forecasts.

Notes to the Financial Statements

NOTE 1

	YEAR ENDED 31 JULY 2024		YEAR ENDED 31 JULY 2023	
	CONSOLIDATED	UNIVERSITY	CONSOLIDATED	UNIVERSITY
	£'000	£'000	£'000	£'000
1.1 TUITION FEES AND EDUCATION CONTRACTS				
Full-time home students	106,083	106,083	112,790	112,790
Full-time international students	108,462	108,462	101,190	101,190
Part-time students	7,460	7,460	6,944	6,944
Research Training Support Grant	64	64	66	66
Short courses	2,528	2,528	1,336	1,336
	224,597	224,597	222,326	222,326
1.2 FUNDING BODY GRANTS				
RECURRENT GRANTS:				
Teaching grants from OfS	8,806	8,806	9,087	9,087
Research grants from Research England	20,194	20,194	23,090	23,090
Department for Education	351	351	870	870
Capital Grants	2,821	2,821	2,193	2,193
SPECIFIC GRANTS:				
Higher Education Innovation Fund	4,786	4,786	4,672	4,672
Other grants	686	360	444	16
	37,644	37,318	40,356	39,928
1.3 RESEARCH GRANTS AND CONTRACTS				
UKRI	20,852	20,852	20,570	20,570
UK based charities	6,249	6,249	7,345	7,345
European Commission	2,850	2,850	3,788	3,788
Other grants and contracts	9,858	9,858	9,817	9,817
Donations and endowments	97	97	474	474
	39,906	39,906	41,994	41,994
1.4 OTHER INCOME				
Residences, catering and other operations	48,478	49,667	46,011	48,106
Other services rendered	5,439	4,119	5,111	3,671
General academic services	1,031	1,031	809	809
NHS Income	7,078	7,078	7,014	7,014
Staff and student services	1,125	1,125	1,240	1,240
Central administrative	944	944	611	611
Other income	1,989	1,989	1,730	1,730
	66,084	65,953	62,526	63,181
1.5 INVESTMENT INCOME				
Investment income on endowments	17	17	39	39
Other investment income	8,274	7,767	7,659	7,333
	8,291	7,784	7,698	7,372
1.6 DONATIONS AND ENDOWMENTS				
New endowments	2,706	2,706	3,155	3,155
Donations with restrictions	1,349	1,349	2,114	2,114
	4,055	4,055	5,269	5,269

FINANCIAL STATEMENTS 2023-24

NOTE 1 INCOME (CONTINUED)

	YEAR ENDED 31 JULY 2024		YEAR ENDED 31 JULY 2023	
	CONSOLIDATED	UNIVERSITY	CONSOLIDATED	UNIVERSITY
	£'000	£'000	£'000	£'000
1.7 GRANT AND FEE INCOME				
Grant income from the OfS	9,835	9,835	9,363	9,363
Grant income from other bodies	67,715	67,389	72,987	72,559
Fee income for taught awards (exclusive of VAT)	215,151	215,172	213,852	213,852
Fee income for research awards (exclusive of VAT)	6,991	6,970	7,260	7,260
Fee income from non-qualifying courses (exclusive of VAT)	2,455	2,455	1,214	1,214
Total grant and fee income	302,147	301,821	304,676	304,248

NOTE 2 EXPENDITURE

2.1 STAFF COSTS

	YEAR ENDED 31 JULY 2024		YEAR ENDED 31 JULY 2023	
	CONSOLIDATED	UNIVERSITY	CONSOLIDATED	UNIVERSITY
	£'000	£'000	£'000	£'000
Salaries	156,731	147,577	141,520	133,002
Social security costs	16,650	15,881	14,710	13,982
Other pension costs	20,280	19,625	18,730	18,138
Staff costs before pension adjustment	193,661	183,083	174,960	165,122
Pension adjustment	(81,710)	(81,710)	(11,114)	(11,114)
Total staff costs	111,951	101,373	163,846	154,008

The significant Pension adjustment in 2023/24 arose on adoption of the USS March 2023 valuation. See note 17 for further detail.

	YEAR ENDED 31 JULY 2024	YEAR ENDED 31 JULY 2023
	£'000	£'000
EMOLUMENTS OF THE VICE-CHANCELLOR SASHA ROSENEIL		
Salary	297	285
Pension contributions	4	-
Other Remuneration	-	31
Non-taxable benefits:		
Death in service and incapacity benefits	8	18
Qualifying Relocation Expenses	-	8
Total Remuneration	309	342

There are no other payments to the Vice-Chancellor, nor is there any accommodation provided to the Vice-Chancellor.

In July 2024, the Vice-Chancellor opted back into the USS pension scheme as a contributing member. The University makes employer's contributions to USS on her behalf, paid at the same rate as for other academic and related staff (14.5%).

The Vice-Chancellor's salary is 7.1 times the median pay of staff calculated on a full-time equivalent basis (2023: 7.5 times)

The Vice-Chancellor's remuneration is 6.3 times the median remuneration of staff calculated on a full-time equivalent basis (2023: 7.6 times).

The Vice-Chancellor's remuneration package reflects the level of responsibility and skills required to lead an institution such as the University of Sussex, which operates against a backdrop of a highly competitive and regulated environment, alongside sector-wide financially challenging circumstances. In determining the Vice-Chancellor's remuneration, the Remuneration Committee considers comparative data and considers the wider remuneration context of the University. It also receives from the Chair of Council an assessment of the Vice-Chancellor's performance against her objectives for the year and considers the University's progress on the key metrics described elsewhere in this Annual Report.

FINANCIAL STATEMENTS 2023-24

NOTE 2 EXPENDITURE (CONTINUED)

The table below shows the number of staff with a basic salary above £100,000 per annum, excluding the Vice-Chancellor, broken down into bands of £5,000.

	NUMBER 2024	NUMBER 2023
£100,000 to £104,999	15	10
£105,000 to £109,999	20	13
£110,000 to £114,999	14	9
£115,000 to £119,999	10	8
£120,000 to £124,999	7	3
£125,000 to £129,999	5	2
£130,000 to £134,999	5	10
£135,000 to £139,999	5	5
£140,000 to £144,999	6	3
£145,000 to £149,999	4	1
£150,000 to £154,999	3	3
£155,000 to £159,999	3	1
£160,000 to £164,999	3	1
£165,000 to £169,999	-	1
£175,000 to £179,999	-	1
£185,000 to £189,999	1	1
	101	72

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. The University's current convention is to define 'key management personnel' as the members of the University Executive Team. The total remuneration paid to the University Executive Team in 2023/24 was £3,017,000 across 19 staff members (16 FTE). In 2022/23 the total remuneration was £2,008,000 across 13 staff members (11 FTE). The size of the University Executive Team was increased (in 2022/23 and 2023/24) to bring in additional members of the wider university leadership group in order to improve accountability, representation and expertise in decision-making. Both the 2022/23 and the 2023/24 figures exclude the remuneration of the Vice-Chancellor as detailed above.

No payments to senior staff in lieu of notice were made to senior post-holders during the year (2023: £Nil).

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

	NUMBER 2024	NUMBER 2023
Academic	1,482	1,413
Technical	127	154
Management & specialist	1,468	1,303
Other	268	242
	3,345	3,112

TRUSTEE EXPENSES

The University's Council members are the trustees for charitable law purposes.

The total expenses paid to or on behalf of 13 Council members was £7,000 (2023: £7,000 to 15 Council members).

These expenses were primarily in relation to accommodation for Council members attending Council meetings, as well as catering costs for Council meetings.

The University had no linked charities during the year including the period up to signing the financial statements.

SEVERANCE PAYMENTS

The total amount of severance payments in the year was £578,000 which was paid across 74 Individuals (2023: £1,176,000 across 81 individuals). This figure includes payments for severance, redundancy and loss of office.

All severance payments including compensation for loss of office in respect of higher paid staff are approved by the University's Remuneration Committee. Amounts for compensation for loss of office and redundancy for all other staff are approved by the University's management in accordance with delegated authority.

FINANCIAL STATEMENTS 2023-24

NOTE 2 EXPENDITURE (CONTINUED)

	YEAR ENDED 31 JULY 2024		YEAR ENDED 31 JULY 2023	
	CONSOLIDATED £'000	UNIVERSITY £'000	CONSOLIDATED £'000	UNIVERSITY £'000
Loans wholly repayable within five years	-	-	15	-
Loans not wholly repayable within five years	6,745	6,745	6,917	6,789
Finance leases	16	16	20	20
Net interest on pension liabilities	1,277	1,277	3,050	3,050
	8,038	8,038	10,002	9,859

2.2 INTEREST AND OTHER FINANCE COSTS

2.3 OTHER OPERATING EXPENDITURE

Academic fees and charges	12,870	12,870	13,626	13,626
Administrative and office costs	597	660	783	865
Foreign exchange gain/(loss)	9	9	58	58
External auditors remuneration for annual accounts audit	218	203	170	151
External auditors remuneration for other non-audit services	11	11	17	17
Books and periodicals	1,502	1,502	1,411	1,411
Management fees	7,897	7,897	7,595	7,595
Consultancy fees	9,419	10,515	15,820	16,730
Consumables and equipment	15,938	15,983	16,663	16,805
Marketing and publicity	3,936	3,967	3,468	3,505
Facilities costs	14,668	24,414	14,185	24,569
Rent, rates and insurance	3,076	3,582	1,634	2,116
Lease rentals	2,818	2,818	2,675	2,675
Scholarships, bursaries and prizes	17,071	17,071	18,012	18,012
Students' Union grant	1,799	1,799	1,664	1,664
Subscriptions, fees and charges	13,202	13,108	12,266	12,196
Training, travel and employment costs	18,144	18,125	17,691	17,705
Utilities and services	9,599	9,599	9,849	9,849
Other charges	3,853	3,851	36	(18)
	136,627	147,984	137,623	149,531

	YEAR ENDED 31 JULY 2024		YEAR ENDED 31 JULY 2023	
	CONSOLIDATED £'000	UNIVERSITY £'000	CONSOLIDATED £'000	UNIVERSITY £'000
Access investment	2,073	2,073	1,862	1,862
Financial support provided to students	2,128	2,128	3,630	3,630
Support for disabled students	476	476	1,208	1,208
Research and evaluation expenditure	357	357	391	391
	5,034	5,034	7,091	7,091

2.4 ACCESS AND PARTICIPATION EXPENDITURE

The 2023/24 Access and Participation Plan can be found on the University's website at the following address:

<https://www.sussex.ac.uk/webteam/gateway/file.php?name=university-of-sussex-access-and-participation-plan-2020.pdf&site=254>

FINANCIAL STATEMENTS 2023-24

NOTE 3 FIXED ASSETS

CONSOLIDATED

	Freehold Land and Buildings £'000	Leasehold Land and Buildings £'000	Infrastructure £'000	Service Concession £'000	Fixtures Fittings and Equipment £'000	Intangibles £'000	Assets in the Course of construction £'000	Total £'000
COST AND VALUATION								
At 1 August 2023	53,370	433,792	17,691	53,484	52,839	-	22,803	633,979
Additions	1,675	1,697	1,191	16,754	6,214	6,265	27,076	60,872
Transfers	4,050	(4,050)	-	-	-	-	-	-
Disposals	-	-	-	-	(1)	-	-	(1)
At 31 July 2024	59,095	431,439	18,882	70,238	59,052	6,265	49,879	694,850
DEPRECIATION								
At 1 August 2023	10,500	104,721	6,346	38,706	43,499	-	-	203,772
Depreciation charge	1,270	11,730	1,876	14,778	4,346	122	-	34,122
Disposals	-	-	-	-	(1)	-	-	(1)
At 31 July 2024	11,770	116,451	8,222	53,484	47,844	122	-	237,893
NET BOOK VALUE								
At 31 July 2024	47,325	314,988	10,660	16,754	11,208	6,143	49,879	456,957
At 31 July 2023	42,870	329,071	11,345	14,778	9,340	-	22,803	430,207

UNIVERSITY

	Freehold Land and Buildings £'000	Leasehold Land and Buildings £'000	Infrastructure £'000	Service Concession £'000	Fixtures Fittings and Equipment £'000	Intangibles £'000	Assets in the Course of construction £'000	Total £'000
COST AND VALUATION								
At 1 August 2023	47,564	435,340	17,691	53,484	49,989	-	22,803	626,871
Additions	5,725	1,697	1,191	16,754	6,197	6,265	27,076	64,905
At 31 July 2024	53,289	437,037	18,882	70,238	56,186	6,265	49,879	691,776
DEPRECIATION								
At 1 August 2023	8,401	105,031	6,346	38,706	41,611	-	-	200,095
Depreciation charge	1,270	11,620	1,876	14,778	4,288	122	-	33,954
At 31 July 2024	9,671	116,651	8,222	53,484	45,899	122	-	234,049
NET BOOK VALUE								
At 31 July 2024	43,618	320,386	10,660	16,754	10,287	6,143	49,879	457,727
At 31 July 2023	39,163	330,309	11,345	14,778	8,378	-	22,803	426,776

FINANCIAL STATEMENTS 2023-24

NOTE 3 FIXED ASSETS (CONTINUED)

At 31 July 2024 freehold land and buildings included £11.5m (2023: £11.5m) in respect of freehold land which is not depreciated.

The net book value of tangible fixed assets includes an amount of £253.3m (2023: £263.3m) of buildings held under finance leases. The depreciation charge on these assets for the year was £11.6m (2023: £9.9m).

THE TOTAL VALUE OF MINIMUM LEASE PAYMENTS FOR BUILDINGS HELD UNDER FINANCE LEASE IS AS FOLLOWS:

	2024 £'000	2023 £'000
CONSOLIDATED AND UNIVERSITY		
Due in less than one year	55	55
Due between two and five years	69	124
Due in five years or more	-	-
	124	179

None of the borrowing costs associated with tangible fixed assets have been capitalised.

NOTE 4 SERVICE CONCESSION ARRANGEMENTS

The University has one service concession arrangement with East Slope Residences Student Accommodation LLP (ESRSA) for the provision of student residential accommodation services.

On 31 March 2017 the University entered into a 54 year contract with ESRSA for the provision of residential accommodation services, providing accommodation for 2,117 students. The assets and liabilities relating to this contract are recognised on the University's Balance Sheet to the extent that the University is required to fulfil nomination commitments at each 31 July. At the end of the contract term the buildings will revert back to the University.

In December 2023 the University nominated rooms for use in the following academic year 2024/25.

SERVICE CONCESSION ARRANGEMENT ASSETS

The asset value of the service concession in the Balance Sheet as at 31 July 2024 is £16.8 m (31 July 2023: £14.8m). The movement is a result of a depreciation charge of £14.8m for the year, and a service concession asset addition of £16.8m. The service concession asset addition represents the estimated rental value of the rooms nominated for use by the University over the 2024/25 academic year.

SERVICE CONCESSION ARRANGEMENT LIABILITIES

The total liabilities relating to the service concession included in the Balance Sheet as at 31 July 2024 were £16.8 m (31 July 2023: £14.8m), representing the present value of lease obligations for the following academic year. This is equivalent to the estimated rental payments due to ESRSA LLP for the rooms nominated for use in 2024/25. The sum of £14.8m was repaid during the year, which related to the rent incurred on the rooms used by the University over the 2023/24 academic year.

FUTURE COMMITMENTS

The following table analyses the University's future commitments in relation to service concession arrangements:

	PAYABLE WITHIN ONE YEAR £'000	PAYABLE IN BETWEEN ONE AND TWO YEARS £'000	PAYABLE IN BETWEEN TWO AND FIVE YEARS £'000	PAYABLE IN MORE THAN FIVE YEARS £'000
Liability repayments	16,754	-	-	-
Finance charge	8	-	-	-
	16,762	-	-	-

FINANCIAL STATEMENTS 2023-24

NOTE 5 NON-CURRENT INVESTMENTS

CONSOLIDATED

	ASSOCIATE COMPANIES £'000	SUBSIDIARY COMPANIES £'000	CAPITAL ELEMENT OF PERMANENT ENDOWMENTS £'000	OTHER FIXED ASSETS INVESTMENTS £'000	TOTAL £'000
At 1 August 2023	5,472	-	7,026	660	13,158
Repayment of subordinated debt	(112)	-	-	-	(112)
Additional investment in West Slope Residencies LLP	-	-	-	7,553	7,553
Other additions	-	-	2,527	190	2,717
Gain in value	-	-	164	45	209
At 31 July 2024	5,360	-	9,717	8,448	23,525

UNIVERSITY

	£'000	£'000	£'000	£'000	£'000
At 1 August 2023	-	162	7,026	660	7,848
Additional investment in Sussex UH Ltd	-	7,553	-	-	7,553
Investment in Biaco Ltd	-	-	-	120	120
Other additions	-	-	2,527	-	2,527
Gain in value	-	-	164	45	209
At 31 July 2024	-	7,715	9,717	825	18,257

The non-current investments have been valued at market value where available, otherwise at cost less impairment. Included in Consolidated Associate Companies is an amount of £5.4m relating to subordinated debt due from an associate entity East Slope Residencies Student Accommodation LLP

OTHER NON-CURRENT INVESTMENTS CONSIST OF:

	CONSOLIDATED AND UNIVERSITY	
	31 JULY 2024 £'000	31 JULY 2023 £'000
Listed Securities		
Mercantile Investment Trust	332	274
Legal & General Industrial Property Investment Fund Feeder Unit Trust	255	253
Feedback PLC	28	43
	615	570
Unlisted Shares		
CVCP Properties	37	37
The New Statesman	1	1
Interanalysis Ltd	50	50
InCrowd	2	2
Biaco	120	-
	210	90
Total	825	660

FINANCIAL STATEMENTS 2023-24

NOTE 5 NON-CURRENT INVESTMENTS (CONTINUED)

The undertakings in which the University's interest at the year-end is 20% or more are as follows:

	Share Class	Number	Ordinary Holding	University Value at cost 2023 £	University Value at cost 2022 £	Nature of Activity
Sussex Innovation Centre Management Ltd	Ord	200	100%	161,616	161,616	Property Management
Sussex Innovation Centre Development Ltd	Pref	2,235	-	437	437	
Sussex Innovation Centre Development Ltd	Ord	100	100%	100	100	Property Development
Sussex UH Ltd	Pref	1,800,000	-	2	2	
Sussex UH Ltd	Ord	7,553,100	100%	7,553,100	100	Holding Company Pension Corporate
USPAS Trustee Ltd	Ord	100	100%	100	100	Trustee
East Slope Housing Ltd	Ord	2	100%	2	2	Inactive
Sussex EF Ltd	Ord	100	100%	100	100	Inactive
Sussex UH ESR Holdco Ltd	Ord	1	100%	1	1	Holding Company
Sussex UH ESR Intermediateco Ltd	Ord	1	100%	1	1	Holding Company
Sussex UH WSR Holdco Ltd	Ord	7,553,001	100%	7,553,001	1	Holding Company
Sussex UH WSR Intermediateco Ltd	Ord	7,553,001	100%	7,553,001	1	Holding Company
Interanalysis Ltd	Ord	20	20%	50,000	50,000	Software Technology

The University is a member of Professional H.E Services Ltd, a company limited by guarantee.

Sussex UH Ltd is a member of Sussex Estates and Facilities LLP, a partnership between the University and Interserve PLC, providing estates and facilities services. Sussex UH Ltd has a 65% interest in the Partnership.

Sussex UH ESR Intermediate Ltd is a member of East Slope Residences Student Accommodation LLP, a partnership between the University and Balfour Beatty Investments Ltd, for the purpose of constructing and servicing student accommodation. Sussex UH ESR Intermediate Ltd has a 20% interest in the partnership.

Sussex Innovation Centre Management Ltd's registered office address is Science Park Square, Falmer, Brighton, BN1 9SB.

Sussex Estates and Facilities LLP's registered office address is Level 12 The Shard, 32 London Bridge Street, London, England, SE1 9SG..

Sussex Innovation Centre Development Ltd, Sussex UH Ltd, Sussex UH ESR Holdco Ltd, Sussex UH ESR Intermediateco Ltd, Sussex UH WSR Holdco Ltd, Sussex UH WSR Intermediateco Ltd, USPAS Trustee Ltd, East Slope Housing Ltd and Sussex EF Ltd have their registered offices at Sussex House, Falmer, Brighton, BN1 9RH..

All subsidiary undertakings are included in the consolidation, with the exception of East Slope Housing Ltd, Sussex EF Ltd and USPAS Trustee Ltd which are all dormant companies with no activity in the year.

NOTE 6 TRADE AND OTHER RECEIVABLES

	YEAR ENDED 31 JULY 2024		YEAR ENDED 31 JULY 2023	
	CONSOLIDATED £'000	UNIVERSITY £'000	CONSOLIDATED £'000	UNIVERSITY £'000
Amounts falling due within one year:				
Debtors and prepayments	68,564	67,226	53,377	51,398
Research debtors	(4)	(4)	(4)	(4)
Amounts due from subsidiary companies	-	9,826	-	15,393
	68,560	77,048	53,373	66,787

Amounts due from subsidiary companies comprise Deed of Covenant payments £1,802k, Intercompany balances £1,336k and Intercompany Loans £6,688k.

	YEAR ENDED 31 JULY 2024		YEAR ENDED 31 JULY 2023	
	CONSOLIDATED £'000	UNIVERSITY £'000	CONSOLIDATED £'000	UNIVERSITY £'000
Amounts falling due after more than one year:				
Debtors and prepayments	132,148	132,148	-	-

Amounts falling due after more than one year comprise £132.1m relating to West Slope Development Lease and service concession pre-payment.

FINANCIAL STATEMENTS 2023-24

NOTE 7 CURRENT INVESTMENTS

	YEAR ENDED 31 JULY 2024		YEAR ENDED 31 JULY 2023	
	CONSOLIDATED	UNIVERSITY	CONSOLIDATED	UNIVERSITY
	£'000	£'000	£'000	£'000
Short term investment in shares	9,858	9,858	8,026	8,026
Short term deposits	71,267	71,267	207,914	207,914
	81,125	81,125	215,940	215,940

Current investments includes holdings in a number of investment funds which are held at fair value, and deposits held with banks and building societies operating in the London Market and licenced by the Financial Conduct Authority with more than three months maturity at the time of placement. The interest rates for these deposits are fixed for the duration of the deposit at the time of placement.

NOTE 8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	YEAR ENDED 31 JULY 2024		YEAR ENDED 31 JULY 2023	
	CONSOLIDATED	UNIVERSITY	CONSOLIDATED	UNIVERSITY
	£'000	£'000	£'000	£'000
Mortgages and other loans	2,461	2,461	2,408	2,408
Service concession arrangement	16,754	16,754	14,778	14,778
Obligations under finance leases	43	43	39	39
Creditors and accruals	92,548	89,585	93,979	90,962
Amounts due to subsidiaries	-	4,354	-	1,869
	111,806	113,197	111,204	110,056

NOTE 9 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	YEAR ENDED 31 JULY 2024		YEAR ENDED 31 JULY 2023	
	CONSOLIDATED	UNIVERSITY	CONSOLIDATED	UNIVERSITY
	£'000	£'000	£'000	£'000
Obligations under finance lease	61	61	104	104
Unsecured loans	167,006	167,006	169,467	169,467
Creditors and Accruals	16,490	16,484	17,166	16,850
	183,557	183,551	186,737	186,421

University Creditors and Accruals falling due after more than one year represents East Slope lease premium of £16,484k to be amortised over the remaining 48 years of the lease. In addition a further £6k related to deferred capital grants is included in the Consolidated figures.

Analysis of loans:

Due within one year or on demand (note 8)	2,461	2,461	2,408	2,408
Due between one and two years	2,529	2,529	2,461	2,461
Due between two and five years	7,980	7,980	7,780	7,780
Due in five years or more	156,497	156,497	159,226	159,226
Due after more than one year	167,006	167,006	169,467	169,467
Total unsecured loans	169,467	169,467	171,875	171,875

FINANCIAL STATEMENTS 2023-24

NOTE 9 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (CONTINUED)

Included in loans are the following:

LENDER	AMOUNT OUTSTANDING AT 31 JULY 2024 £'000	TERM	INTEREST RATE %	BORROWER
Lloyds	29,467	to 2034	5.82	University
Barclays	40,000	to 2039	5.85	University
Private Placement Loan Series A	50,000	to 2044	2.76	University
Private Placement Loan Series B	18,000	to 2049	2.78	University
Private Placement Loan Series C	32,000	to 2049	2.84	University
	169,467			

NOTE 10 PROVISIONS FOR LIABILITIES

CONSOLIDATED

	Obligation to fund deficit on USS Pension £'000	Defined benefit obligations £'000	Total pensions provisions £'000	Other £'000	Total £'000
Opening balance at 1 August 2023	(82,728)	6,313	(76,415)	(1,658)	(78,073)
Utilised in year	1,018	967	1,985	116	2,101
Reduction/(Addition) in 2023/24	81,710	(5,176)	76,534	(1,221)	75,313
At 31 July 2024	-	2,104	2,104	(2,763)	(659)

UNIVERSITY

	Obligation to fund deficit on USS Pension £'000	Defined benefit obligations £'000	Total pensions provisions £'000	Other £'000	Total £'000
Opening balance at 1 August 2023	(82,728)	6,313	(76,415)	(166)	(76,581)
Utilised in year	1,018	967	1,985	116	2,101
Reduction/(Addition) in 2023/24	81,710	(5,176)	76,534		76,534
At 31 July 2024	-	2,104	2,104	(50)	2,054

FINANCIAL STATEMENTS 2023-24

NOTE 11 ENDOWMENT RESERVES

Restricted net assets relating to endowments are as follows:

	Restricted permanent endowments £'000	Unrestricted permanent endowments £'000	Expendable endowments £'000	2024 Total £'000	2023 Total £'000
Opening balance at 1 August					
Capital 1 August	8,892	80	5,318	14,290	14,849
Accumulated income	853	19	1,931	2,803	444
	9,745	99	7,249	17,093	15,293
New endowments					
New endowments	2,500	-	321	2,821	3,223
Investment income	100	-	304	404	39
Expenditure	(54)	-	(338)	(392)	(1,345)
	2,546	-	287	2,833	1,917
Increase/(Decrease) in market value of investments					
Increase/(Decrease) in market value of investments	1,012	10	152	1,174	(117)
At 31 July	13,303	109	7,688	21,100	17,093
Represented by					
Capital	12,404	89	5,790	18,283	14,289
Accumulated income	899	20	1,898	2,817	2,804
	13,303	109	7,688	21,100	17,093
Analysis by type of purpose					
Lectureships	200	-	-	200	181
Scholarships and bursaries	1,835	-	1,458	3,293	3,204
Research support	8,774	-	1,499	10,273	6,939
Prize funds	898	-	189	1,087	993
General	1,596	109	4,542	6,247	5,776
	13,303	109	7,688	21,100	17,093
Analysis by asset					
Fixed assets				-	-
Current and non-current asset investments				14,211	10,730
Cash and cash equivalents				6,889	6,363
				21,100	17,093

NOTE 12 INVESTMENT IN JOINT VENTURE

BACKGROUND

The Brighton & Sussex Medical School (BSMS) is an equal partnership between the Universities of Sussex and Brighton. However, it is agreed that the University of Sussex will be allocated 75% of the income and expenditure relating to Oncology Research. All income received in respect of BSMS is held in JV accounts managed by the University of Sussex. Expenditure incurred by each university of the BSMS is reimbursed from the JV accounts.

ACCOUNTING ARRANGEMENTS

The income and expenditure of the BSMS for the year ended 31 July 2024 is reflected in the audited Financial Statements of both universities. Each university has included its share of the gross net assets and liabilities of the joint venture and its share of the gross assets and liabilities of the joint venture and its share of the turnover and surplus.

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR TO 31 JULY 2024**

	UNIVERSITY OF SUSSEX YEAR ENDED 31 JULY 2024 £'000	UNIVERSITY OF SUSSEX YEAR ENDED 31 JULY 2023 £'000
INCOME		
OfS Grant	4,920	4,398
NHS funds	8,336	8,714
Academic fees	6,576	6,107
Research grants and contracts	1,883	1,667
Other	928	853
Total income	22,643	21,739
EXPENDITURE		
Staff costs	11,677	10,896
Depreciation	69	174
Other operating expenses	10,250	9,807
Total expenditure	21,996	20,877
(Deficit)/Surplus on continuing operations	647	862
Surplus brought forward for the year	9,487	8,625
Surplus retained for the year	10,134	9,487

BALANCE SHEET AS AT 31 JULY 2024

	UNIVERSITY OF SUSSEX YEAR ENDED 31 JULY 2024 £'000	UNIVERSITY OF SUSSEX YEAR ENDED 31 JULY 2023 £'000
Fixed assets	505	577
Current assets		
Debtors	2,635	1,749
Cash at banks and in hand	10,662	12,004
Current Liabilities		
Creditors	(3,668)	(4,843)
Net current assets	9,629	8,910
Total net assets	10,134	9,487
Represented by		
Income and expenditure account	10,134	9,487

FINANCIAL STATEMENTS 2023-24

NOTE 13 CAPITAL AND OTHER COMMITMENTS

Provision has not been made for the following capital commitments at 31 July 2024:

	YEAR ENDED 31 JULY 2024 CONSOLIDATED £'000	YEAR ENDED 31 JULY 2023 CONSOLIDATED £'000
Commitments contracted for	11,334	28,704
Authorised, approved but not contracted for	53,711	52,849
	65,045	81,553

NOTE 14 OPERATING LEASE COMMITMENTS

The University entered into an operating lease in September 2007 on a new student residence comprising 450 rooms.

The lease has a minimum term of 20 years with annual rents of £2.5m.

	YEAR ENDED 31 JULY 2024 CONSOLIDATED Land and Buildings £'000	YEAR ENDED 31 JULY 2023 CONSOLIDATED Total £'000
Annual rentals under operating leases payable		
In one year	2,489	2,311
Two to five years	5,251	7,649
Five or more	-	-
Total lease payments due	7,740	9,960

NOTE 15 DEPARTMENT FOR EDUCATION TRAINING BURSARIES

	YEAR ENDED 31 JULY 2024 CONSOLIDATED £'000	YEAR ENDED 31 JULY 2023 CONSOLIDATED £'000
Balance owed to DfE at 1 August	297	947
DfE Grants	3,867	2,179
Disbursement to students	(3,773)	(1,863)
Other Disbursements	(59)	(792)
Difference on prior year actual DfE recovery amount	(8)	(174)
Balance owed to DfE at 31 July	324	297

The University holds training bursaries in its capacity as paying agent for the Department for Education (DfE). Grants and related disbursements from the funds are excluded from the Consolidated Income and Expenditure Account.

FINANCIAL STATEMENTS 2023-24

NOTE 16 RELATED PARTY TRANSACTIONS

To capture information on related party transactions the University maintains a register of interests of Council members and senior officers. Due to the nature of the University's operations and the composition of the University's Council, being drawn from commerce, industry and the public sector, it is inevitable that transactions will take place with organisations in which a member of the Council has an interest. The University's Financial Regulations, systems of internal control and policies, including purchasing are designed to ensure that all the University's transactions are conducted with propriety on an arms length basis.

FOR THE 12-MONTH PERIOD TO 31 JULY 2024

Related party transactions in respect of the following relationships took place and were either complete or outstanding:

- | | |
|--|---|
| <p>(i) Professor S Roseneil, the University's Vice-Chancellor, is a Director of the Institute of Development Studies (IDS). The University receives and pays amounts in respect of tuition income and payroll on behalf of IDS. She was also a director and trustee for the Academy of Social Sciences. The University supported its Campaign for Social Science.</p> <p>(ii) Sussex Estates & Facilities LLP is a 65% subsidiary of Sussex UH Ltd and supplies facilities management services to the University.</p> <p>(iii) East Slope Residences Student Accommodation LLP is a partnership between the University and Balfour Beatty for the purpose of constructing and servicing student accommodation. Sussex UH ESR Intermediate Ltd has a 20% interest in the partnership.</p> | <p>(iv) D Curley, who is a member of Council, is a Non-Executive Director and Chair of the Audit Committee at University Hospitals Sussex NHS Foundation Trust.</p> <p>(v) R Linehan, who is a member of Council, is a representative of the University of Sussex Student Union, to which the University provides a grant.</p> <p>(vi) J Parsons who is a member of Council, is employed in a senior role at the British Museum, from whom the University received research grant funding during the year.</p> <p>(vii) P O'Prey, who is a member of Council, is a Director of West Dean. It's subsidiary, West Dean College, is a Partner Institution of the University.</p> |
|--|---|

SUMMARY OF RELATED PARTY TRANSACTIONS

	INCOME		EXPENDITURE		DEBTORS		CREDITORS	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Academy of Social Sciences	-	-	6	12	-	-	-	-
Clarion Housing	-	5	-	-	-	-	-	-
East Slope Residences Student Accommodation LLP	1,413	667	13,995	10,028	399	-	1	-
Institute of Development Studies	428	211	211	493	68	47	49	53
Marlborough Theatre Productions	3	-	2	-	-	-	-	-
University Hospitals Sussex NHS Foundation Trust	2,550	-	1,030	-	389	-	63	-
The Pensions Regulator	-	-	-	12	-	-	-	-
Sussex Estates and Facilities	-	24	29,473	23,852	67	-	4,420	1,755
The British Museum	30	-	-	-	-	-	-	-
University of California – Berkeley	-	915	-	-	-	-	-	-
University of Sussex Student Union	153	127	1,899	1,717	85	13	5	2
Vodafone Limited	-	-	-	58	-	-	-	2
West Dean	185	-	-	-	41	-	-	-

NOTE 17 PENSION SCHEMES

The three principal pension schemes for the University’s staff are the Universities Superannuation Scheme (USS), the University of Sussex Pension and Assurance Scheme (USPAS) and the University of Sussex Pension Savings Scheme (USPSS). The USS and USPAS schemes are defined benefit schemes, which are valued every three years by actuaries using the projected unit method. The rates of contribution payable are determined by the trustees on the advice of the actuaries. Both schemes provide benefits based on final pensionable salary. In 2012 the University opened the USPSS a defined contribution scheme, which is the primary pension scheme for new support staff.

	FORECAST YEAR ENDED 2025 £'000	ACTUAL YEAR ENDED 2024 £'000	ACTUAL YEAR ENDED 2023 £'000
Contributions to USS	17,500	19,983	22,336
Contributions to USPAS	1,200	1,281	2,895
Contributions to USPSS	2,200	2,128	1,793
Other contributions	900	845	775
	21,800	24,237	27,799

(I) THE UNIVERSITIES SUPERANNUATION SCHEME (USS)

The University participates in the Universities Superannuation Scheme. With effect from 1 October 2016, the scheme changed from a defined benefit only pension scheme to a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The University is therefore exposed to actuarial risks associated with other institutions’ employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 “Employee benefits”, the University therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme. Since the University has entered in an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the University recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in the income and expenditure account in accordance with section 28 of FRS 102. Council is satisfied that the scheme provided by Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

USS PENSION COSTS

The total credit released to the income and expenditure account is £62,745,000 (2023: cost charged £8,108,000).

Deficit recovery contributions due within one year for the institution are £2,914,000 (2023: contributions paid £6,411,000).

The latest available completed actuarial valuation of the Retirement Income Builder is at 31 March 2023 (the valuation date), which was carried out using the projected unit method.

Since the institution cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for the scheme as a whole.

The 2023 valuation was the seventh valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions (the statutory funding objective). At the valuation date, the value of the assets of the scheme was £73.1 billion and the value of the scheme’s technical provisions was £65.7 billion indicating a surplus of £7.4 billion and a funding ratio of 111%.

The key financial assumptions used in the 2023 valuation are described below. More detail is set out in the Statement of Funding Principles ([uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles](https://www.uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles))

<i>CPI assumption</i>	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less: 1.0% p.a. to 2030, reducing to 0.1% p.a. from 2030.
<i>Pension increases (subject to a floor of 0%)</i>	<i>Benefits with no cap: CPI assumption + 0.03%</i> Benefits subject to a “soft cap” of 5% (providing inflationary increases up to 5%, and half of any excess inflation over 5% up to a maximum increase of 10%): CPI assumption -0.03%
<i>Discount rate (forward rates)</i>	Fixed interest gilt yield curve plus: Pre-retirement: 2.5% p.a. Post retirement: 0.9% p.a.

NOTE 17 PENSION SCHEMES (CONTINUED)

The main demographic assumptions used relate to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2023 actuarial valuation. The mortality assumptions used in these figures are as follows:

2023 VALUATION

MORTALITY BASE TABLE	101% of S2PMA "light" for males and 95% of S3PFA for females
FUTURE IMPROVEMENTS TO MORTALITY	CMI_2021 with a smoothing parameter of 7.5, an initial addition of 0.4% p.a., 10% w2020 and w2021 parameters, and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females.

The current life expectancies on retirement at age 65 are:

	2024	2023
MALES CURRENTLY AGED 65 (YEARS)	23.7	24.0
FEMALES CURRENTLY AGED 65 (YEARS)	25.6	25.6
MALES CURRENTLY AGED 45 (YEARS)	25.4	26.0
FEMALES CURRENTLY AGED 45 (YEARS)	27.2	27.4

A deficit recovery plan was put in place as part of the 2020 valuation, which required payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate would increase to 6.3%. No deficit recovery plan was required under the 2023 valuation because the scheme was in surplus on a technical provisions basis. The institution was no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision to the profit and loss account.

(II) UNIVERSITY OF SUSSEX PENSION AND ASSURANCE SCHEME (USPAS)

The University operates a UK-registered-trust-based pension scheme that provides defined benefits. Pension benefits are linked to the members' final pensionable salaries and service at retirement (or date of leaving if earlier). The Trustees are responsible for running the Scheme in accordance with the Scheme's Trust Deed and Rules, which sets out their powers. The Trustees of the Scheme are required to act in the best interests of the beneficiaries of the Scheme.

There are three categories of pension scheme members:

- Active members: currently employed by the University.
- Deferred members: members of the Scheme who have not yet retired.
- Pensioner members: members of the Scheme now in receipt of a Scheme pension.

The results of the most recent formal actuarial valuation as at 31 March 2021 have been updated to 31 July 2024 by a qualified independent actuary.

FINANCIAL STATEMENTS 2023-24

NOTE 17 PENSION SCHEMES (CONTINUED)

ASSUMPTIONS

The financial assumptions used to calculate scheme liabilities under FRS102 are:

	AT 31 JULY 2024	AT 31 JULY 2023
	%PA	%PA
PRICE INFLATION (RPI)	3.20%	3.10%
PRICE INFLATION (CPI)	2.80%	2.70%
RATE OF INCREASE IN SALARIES	2.80%	2.70%
RATE OF INCREASE OF PENSIONS IN PAYMENT FOR USPAS MEMBERS:		
POST 88 GMP	2.30%	2.30%
PRE 09 PENSION	2.80%	2.70%
POST 09 PENSION	2.30%	2.30%
RATE OF INCREASE FOR DEFERRED PENSIONERS (NON GMP):		
PRE 09 LEAVERS	2.80%	2.70%
POST 09 LEAVERS	3.20%	3.10%

The most significant non-financial assumption is the assumed level of longevity. The table below shows the life expectancy assumptions used in the accounting assessments based on the life expectancy of male and female members at age 65.

	MALE		FEMALE	
	PENSIONER	NON-PENSIONER (CURRENTLY AGED 45)	PENSIONER	NON-PENSIONER (CURRENTLY AGED 45)
At 31 July 2024	21.2	22.5	23.7	25.2
At 31 July 2023	21.4	22.6	23.9	25.3

NOTE 17 PENSION SCHEMES (CONTINUED)

SCHEME ASSETS AND EXPECTED RATE OF RETURN FOR USPAS

The expected return on assets has been derived using the weighted average of the expected returns from each of the main asset classes (i.e. equities and bonds). The expected return for each asset class reflects a combination of historical performance analysis, the forward looking views of the financial markets (as suggested by the yields available) and the views of investment organisations.

The assets in the scheme were:

	FAIR VALUES AS AT		
	AT 31 JULY 2024 £M	AT 31 JULY 2023 £M	AT 31 JULY 2022 £M
EQUITIES	7,430	6,668	54,960
GOVERNMENT BONDS	40,702	42,092	31,870
CORPORATE BONDS	71,939	70,919	50,950
ANNUITIES	125	142	167
CASH	2,979	1,166	1,011
TOTAL	123,175	120,987	138,958

	YEAR ENDED 31 JULY 2024 £'000	YEAR ENDED 31 JULY 2023 £'000
ANALYSIS OF THE AMOUNT SHOWN IN THE BALANCE SHEET FOR USPAS:		
Scheme assets	123,175	120,987
Scheme liabilities	(110,010)	(109,023)
Scheme surplus not recognised	(11,061)	(5,651)
SURPLUS IN THE SCHEME - NET PENSION ASSET RECORDED WITHIN PENSION PROVISIONS	2,104	6,313
Current service cost	(488)	(658)
TOTAL OPERATING CHARGE:	(488)	(658)
ANALYSIS OF THE AMOUNT CHARGED TO INTEREST PAYABLE/CREDITED TO OTHER FINANCE INCOME FOR USPAS PENSIONS		
Interest cost	6,049	4,675
Expected return on assets	943	(19,688)
Interest on net deficit	(5,430)	(4,428)
NET CHARGE/(CREDIT) TO OTHER FINANCE INCOME	1,562	(19,441)
TOTAL PROFIT AND LOSS CHARGE BEFORE DEDUCTION FOR TAX ANALYSIS OF OTHER COMPREHENSIVE INCOME FOR USPAS PENSIONS:		
Actual return on assets less interest	943	(19,688)
Actuarial (losses)/gains on defined benefit obligation	(709)	23,213
Scheme surplus not recognised	(1,201)	(5,651)
Amortisation of brought forward surplus	(4,209)	-
TOTAL OTHER COMPREHENSIVE LOSS) BEFORE DEDUCTION FOR TAX	(5,176)	(2,126)

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NOTE 17 PENSION SCHEMES (CONTINUED)

	AT 31 JULY 2024 £'000	AT 31 JULY 2023 £'000
ANALYSIS OF MOVEMENT IN SURPLUS FOR USPAS PENSIONS SURPLUS AT BEGINNING OF YEAR	6,313	6,313
Contributions or benefits paid by the University	1,281	2,895
Current service cost	(488)	(658)
Other finance charge	(445)	(358)
Interest cost	619	247
Loss recognised in other comprehensive income	(5,176)	(2,126)
SURPLUS AT END OF YEAR	2,104	6,313
	YEAR TO 31 JULY 2024 £'000	YEAR TO 31 JULY 2023 £'000
ANALYSIS OF MOVEMENT IN THE PRESENT VALUE OF USPAS LIABILITIES AT THE START OF THE YEAR	(109,023)	(132,645)
Current service cost (net of member contributions)	(488)	(658)
Member contributions	(16)	(16)
Interest cost recorded within other comprehensive income	(5,430)	(4,428)
Actuarial (loss)/gain	(709)	23,213
Actual benefit payments	5,656	5,511
PRESENT VALUE OF USPAS LIABILITIES AT THE END OF THE YEAR	(110,010)	(109,023)
	YEAR TO 31 JULY 2024 £'000	YEAR TO 31 JULY 2023 £'000
ANALYSIS OF MOVEMENT IN THE FAIR VALUE OF SCHEME ASSETS AT THE START OF THE YEAR	120,987	138,958
Expected return on assets	943	(19,688)
Admin expense	(445)	(358)
Interest income	6,049	4,675
Actual contributions paid by the University	1,281	2,895
Actual member contributions (including notional contributions)	16	16
Actual benefit payments	(5,656)	(5,511)
FAIR VALUE OF SCHEME ASSETS AT THE END OF THE YEAR	123,175	120,987

USPAS assets do not include any of the University's own financial instruments, or any property occupied by the University.

ACCOUNTING ESTIMATES AND JUDGEMENTS

The Trustee is required to carry out an actuarial valuation every 3 years. The last actuarial valuation of the Scheme was performed by the Scheme Actuary for the Trustee as at 31 March 2021. This valuation revealed a funding shortfall of £17.2 million. The University agreed to pay annual contributions of 37.0% of members' Pensionable Earnings, less member contributions, from 1 May 2022. The University also agreed to pay £302,347 per month from 1 May 2022 to 28 February 2025 inclusive, increasing at a rate of 3.2% pa on 1 August each year.

In December 2022, the Scheme Actuary advised that the Scheme no longer had a funding shortfall. The Trustee and the University therefore put in place a revised agreement dated 15 December 2022. The University agreed to continue to pay annual contributions of 37.0% of members' Pensionable Earnings, less member contributions. The University also agreed to pay £400,000 per annum in respect of Scheme administration expenses from 1 January 2023, increasing at a rate of 3.2% pa on 1 August each year. No further deficit contributions were required from 1 January 2023.

The University therefore expects to pay £1.1m into the Scheme during the accounting year beginning 1 August 2024. This excludes any salary sacrificed member contributions paid by the University.

NOTE 17 PENSION SCHEMES (CONTINUED)

UNIVERSITY OF SUSSEX PENSION AND SAVING SCHEME (USPSS)

University of Sussex Pension and Saving Scheme (USPSS) is a defined contribution scheme for new employed technical, clerical and other support staff. The scheme allows members to contribute a minimum 3% of monthly salary and offers life assurance and income protection in addition to pension benefits. The University contributes two times the member contribution up to a maximum 12% of monthly salary.

NOTE 18 FINANCIAL INSTRUMENTS

The University has the following financial instruments:

	2024 GROUP £'000	2024 UNIVERSITY £'000	2023 GROUP £'000	2023 UNIVERSITY £'000
FINANCIAL ASSETS				
Measured at fair value through income and expenditure				
Current asset investments	81,125	81,125	215,940	215,940
Debt instruments measured at amortised cost				
Long term loan receivable	132,148	132,148	-	-
Investments				
Non-current investments	23,525	18,257	13,158	7,848
Measured at undiscounted amount receivable				
Trade and other receivable	68,560	77,048	47,272	60,573
	305,358	308,578	276,370	284,361
Financial liabilities				
Measured at amortised cost				
Loans payable	169,467	169,467	174,263	174,208
Obligation under finance leases	104	104	210	210
Obligation under service concession arrangements	16,754	16,754	14,172	14,172
Measured at undiscounted amount receivable				
Trade and other creditors	92,548	93,939	101,144	95,207
	278,873	280,264	289,789	283,797

NOTE 19 ANALYSIS OF NET DEBT

Current investments measured at fair value through income and expenditure include the core cash investment portfolios held by the University, as well as short term investment in shares related to endowments.

	AT 1 AUGUST 2023 £'000	CASH FLOWS £'000	OTHER NON-CASH CHANGES £'000	AT 31 JULY 2024 £'000
ANALYSIS OF CHANGES IN NET DEBT				
Cash and cash equivalents	76,680	(38,572)	-	38,108
Loans	(171,875)	10,428	(8,020)	(169,467)
Obligations under finance leases	(143)	55	(16)	(104)
Total	(95,338)	(28,089)	(8,036)	(131,463)

Net debt has increased as a result of significant cash contributions in year to fund the new West Slope Residences Development project.



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NOTE 20 SUPPLEMENTARY SCHEDULE

We have an obligation as part of our participation in the US Federal Loans program to include Supplemental Information which complies with Federal Register/Vol. 84, No. 184 / Monday, September 23, 2019 / Rules and Regulations.

The data is prepared using UK GAAP and does not include any adjustments that would be required to comply with US GAAP

REFERENCE	EXPENDABLE NET ASSETS		CONSOLIDATED YEAR ENDED 31 JULY 2024 £'000	CONSOLIDATED YEAR ENDED 31 JULY 2023 £'000	
"Balance sheet Statement of changes in reserves"	Statement of Financial Position – Net assets without donor restrictions	Income and expenditure reserve + Revaluation reserve		483,462	395,677
"Balance sheet Statement of changes in reserves"	Statement of Financial Position – Net assets with donor restrictions	I&E – endowment reserve + Non- controlling interest		21,100	17,801
Note 16	Statement of Financial Position – Related party receivable and Related party note disclosure	Related party transactions in debtors	1,050		60
Note 16	Statement of Financial Position – Related party receivable and Related party note disclosure	Related party transactions in debtors		1,050	60
Note 3	Statement of Financial Position – Property, Plant and equipment, net	Net book value of Property, plant and equipment (excl. Service concession asset)	434,060		415,429
Note 3	Note of the Financial Statements – Statement of Financial Position – Property, plant and equipment – pre-implementation	Net book value of Property, plant and equipment (excl. Service concession asset) – Additions		339,917	353,551
Note 3	Note of the Financial Statements – Statement of Financial Position – Property, plant and equipment – post-implementation with outstanding debt for original purchase			-	-
Note 3	Note of the Financial Statements – Statement of Financial Position – Property, plant and equipment – post- implementation without outstanding debt for original purchase	Additions (excl. Service concession asset and Assets in the course of construction)		44,264	46,522
Note 3	Note of the Financial Statements – Statement of Financial Position – Construction in progress	Additions of Assets in the course of construction		49,879	15,356
Note 3	Statement of Financial Position – Lease right-of-use assets, net	Net book value of Service concession asset	16,754		14,778
Note 3	Note of the Financial Statements – Statement of Financial Position – Lease right-of-use asset pre- implementation	Net book value of Service concession asset		-	-
Note 3	Note of the Financial Statements – Statement of Financial Position – Lease right-of-use asset post- implementation			16,754	14,778

FINANCIAL STATEMENTS 2023-24

NOTE 20 SUPPLEMENTARY SCHEDULE (CONTINUED)

REFERENCE	EXPENDABLE NET ASSETS (CONTINUED)		CONSOLIDATED YEAR ENDED 31 JULY 2024 £'000	CONSOLIDATED YEAR ENDED 31 JULY 2023 £'000
Balance sheet	Statement of Financial Position – Goodwill	Intangible assets	6,143	-
Balance sheet	Statement of Financial Position – Post-employment and pension liabilities	Pension provisions	(2,104)	76,415
Note 9	Statement of Financial Position – Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Total secured and unsecured loans	169,467	171,875
Note 9	Statement of Financial Position – Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Total secured and unsecured loans	169,467	171,875
Note 9	Statement of Financial Position – Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process		-	-
Note 9	Statement of Financial Position – Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process		-	-
Note 8	Statement of Financial Position – Lease right-of-use asset liability	Service concession arrangement	16,754	14,778
Note 8	Statement of Financial Position – Lease right-of-use asset liability pre-implementation	Service concession arrangement	-	-
Note 8	Statement of Financial Position – Lease right-of-use asset liability post-implementation		16,754	14,778
"Balance sheet Statement of changes in reserves"	Statement of Financial Position – Annuities		-	-
"Balance sheet Statement of changes in reserves"	Statement of Financial Position – Term endowments		-	-
"Balance sheet Statement of changes in reserves"	Statement of Financial Position – Life Income Funds		-	-
"Balance sheet Statement of changes in reserves"	Statement of Financial Position – Perpetual Funds	I&E – endowment reserve + Non-controlling interest	21,100	17,801
REFERENCE	TOTAL EXPENSES AND LOSSES		CONSOLIDATED YEAR ENDED 31 JULY 2024 £'000	CONSOLIDATED YEAR ENDED 31 JULY 2023 £'000
Statement of comprehensive income	Statement of Activities – Total Operating Expenses (Total from Statement of Activities prior to adjustments)	Total expenditure	290,738	343,489

FINANCIAL STATEMENTS 2023-24

NOTE 20 SUPPLEMENTARY SCHEDULE (CONTINUED)

REFERENCE	TOTAL EXPENSES AND LOSSES		CONSOLIDATED YEAR ENDED 31 JULY 2024 £'000	CONSOLIDATED YEAR ENDED 31 JULY 2023 £'000
Statement of comprehensive income	Statement of Activities – Non-Operating (Investment return appropriated for spending), Investments, net of annual spending gain (loss), Other components of net periodic pension costs, Pension-related changes other than net periodic pension, changes other than net periodic pension, Change in value of split-interest agreements and Other gains (loss) – (Total from Statement of Activities prior to adjustments)	Investment income + Gain on investments + Actuarial gain/(loss) in respect of pension schemes	(9,509)	(4,180)
Statement of comprehensive income	Statement of Activities – (Investment return appropriated for spending) and Investments, net of annual spending, gain (loss)	Gain on investments + Investment income	(14,685)	(6,306)
Statement of comprehensive income	Statement of Activities – Pension related changes other than periodic pension		-	-
REFERENCE	MODIFIED NET ASSETS		CONSOLIDATED YEAR ENDED 31 JULY 2024 £'000	CONSOLIDATED YEAR ENDED 31 JULY 2023 £'000
Balance Sheet	Statement of Financial Position – Net assets without donor restrictions	Income and expenditure reserve + Revaluation reserve	483,462	395,677
"Balance sheet Statement of changes in reserves"	Statement of Financial Position – total Net assets with donor restrictions	I&E – endowment reserve + Non-controlling interest	21,100	17,801
Balance sheet	Statement of Financial Position – Goodwill	Intangible assets	6,143	-
Note 16	Statement of Financial Position – Related party receivable and Related party note disclosure	Related party transactions in debtors	1,050	60
Note 16	Statement of Financial Position – Related party receivable and Related party note disclosure	Related party transactions in debtors	1,050	60
REFERENCE	MODIFIED ASSETS		CONSOLIDATED YEAR ENDED 31 JULY 2024 £'000	CONSOLIDATED YEAR ENDED 31 JULY 2023 £'000
Balance sheet	Statement of Financial Position - Total Assets	Total Assets	800,584	789,492
Note 3	Note of the Financial Statements – Statement of Financial Position – Lease right-of-use asset pre-implementation	Net book value of Service concession asset	-	-
Note 8	Statement of Financial Position – Lease right-of-use asset liability pre-implementation	Service concession arrangement	-	-
Balance sheet	Statement of Financial Position – Goodwill	Intangible assets	6,143	-

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NOTE 20 SUPPLEMENTARY SCHEDULE (CONTINUED)

REFERENCE	MODIFIED ASSETS (CONTINUED)		CONSOLIDATED YEAR ENDED 31 JULY 2024 £'000		CONSOLIDATED YEAR ENDED 31 JULY 2023 £'000	
Note 16	Statement of Financial Position – Related party receivable and Related party note disclosure	Related party transactions in debtors	1,050		60	
Note 16	Statement of Financial Position – Related party receivable and Related party note disclosure	Related party transactions in debtors		1,050		60
REFERENCE	NET INCOME RATIO		CONSOLIDATED YEAR ENDED 31 JULY 2024 £'000		CONSOLIDATED YEAR ENDED 31 JULY 2023 £'000	
"Balance sheet Consolidated cash flow statement"	Statement of Activities – Change in Net Assets Without Donor Restrictions	Change in Net Assets – Change in I&E – endowment reserve – Distribution to non-controlling interest		86,995		32,001
Statement of comprehensive income	Statement of Activities – (Net assets released from restriction), Total Operating Revenue and Other Additions and Sale of Fixed Assets, gains (losses)	Total income – Investment income		372,286		372,471



UNIVERSITY OF SUSSEX
SUSSEX HOUSE, FALMER
BRIGHTON BN1 9RH
UNITED KINGDOM
+44 (0)1273 606755

www.sussex.ac.uk