

The background of the cover is a photograph of a person walking on a paved path at the University of Sussex. The person is wearing a dark jacket, blue jeans, and a backpack, walking away from the camera. In the background, there is a modern building with large windows and a brick wall. A large tree with pink blossoms is in the foreground, partially obscuring the building. The sky is blue.

UNIVERSITY OF SUSSEX

**FINANCIAL
STATEMENTS
2022-23**

US

UNIVERSITY
OF SUSSEX

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Dr Tim Westlake

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

PROVOST

Professor Keith Jones

BSc (Leeds), PhD (Liv) (Until 31 August 2023)

Professor Michael Luck

FEurAI, FBCS, FKC, BSc (UoL), PhD (UoL) (From 1 September 2023)

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Professor Kelly Coate (Until 31 July 2023)

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Professor Kate O'Riordan (From 1 August 2023)

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

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David Ruebain

BA (Oxon), MA (Oxon)

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Professor Keith Jones BSc (Leeds), PhD (Liv)

PRO-VICE-CHANCELLOR

Professor Robin Banerjee (From 1 September 2023)

BA (Sussex), DPhil (Sussex)

DIRECTOR OF FINANCE

Allan Spencer MA (Oxon), ACA

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Strategic Report

The University of Sussex has a vision to be a world-leading sustainable university. We have embarked on a period of transformation, investing to support our vision of being a better University for a better world. This will create a better campus, deliver a better education, develop better ways of working, and support better research.

INTRODUCTION: THE ONGOING CHALLENGE AND OUR RESPONSE

ONGOING CHALLENGES

The University, the Higher Education sector, and our community have experienced new and ongoing challenges this year, and yet we have strived to respond positively to support both our students and staff, as well as continuing to focus on delivering the University strategy.

These challenges have been characterised by volatile pricing and increasing economic uncertainty in October 2022, due to the Government mini-budget that was announced in the autumn statement. This contributed to the economic instability surrounding the war in Ukraine, with spiralling energy costs and inflation, followed by 14 consecutive increases in interest rates to August 2023 by the Bank of England to 5.25%, ultimately leading to our staff and student community experiencing the effects of a cost-of-living crisis.

This report will describe our response to these challenges, including targeted financial support initiatives that are outlined in more detail as part of the Supporting our Community section below.

There was disruption due to industrial action in relation to staff pay and conditions throughout the year, culminating with the difficulties in awarding final grades to finalist students this summer due to a marking and assessment boycott by some academics. University representatives and the Sussex branch of the University and College Union (UCU) have continued to meet regularly and work closely, to discuss and progress elements of the June 2022 joint agreement, leading to a number of positive outcomes for staff.

The Department for Education (DfE) in July 2023 announced a package of reforms to the HE Sector as part of the delayed outcomes of the Augar review in its Higher Education Policy Statement and Reform.

This includes a reduction to Foundation Year fees from £9,250 to £5,760 for 'classroom-based' subjects from 2025/26 that may reduce future tuition fee income. The University is taking steps to review these developments and to mitigate any future impact.

In the following month, there was a DfE publication to the education sector relating to actions that needed to be taken in relation to Reinforced Autoclaved Aerated Concrete (RAAC). The University had already commissioned an initial desktop survey of 27 buildings and had identified the use of RAAC in five of them. Work started in the financial year to commence remediation work at Bramber House, and action was taken to ensure that staff and students could continue to use these buildings safely. Work is ongoing on campus as part of our RAAC replacement programme.

OUR RESPONSE

The higher education sector faces major challenges, but in an interdependent world that urgently needs new ways of thinking and bold interventions, Sussex's future is extremely bright.

- The University has continued to demonstrate the financial resilience outlined in last year's report, benefitting in part from the Size and Shape programme introduced in 2020 and implemented in 2021, and that has delivered a robust outcome for the financial year. This has been supported by the ongoing recovery of international student recruitment, strong performance in the Research Excellence Framework (REF) 2021, positive outcomes in both donations and philanthropic income, and a recovery in other commercial income. This is described in greater detail as part of the Financial Review on page 12.
- As well as pursuing the delivery of the Sussex 2025 Strategy, the University will be embarking on crafting a new long-term strategy in the forthcoming year that will extend our ambitions from 2025 to 2035, helping us to navigate an ever-changing policy, economic and cultural landscape. This is described in greater detail in the Strategy section below.

Strategic Report (continued)

- The University signed up to be a Voluntary Living Wage Employer (VLW) and implemented the pay award instructed by the University and Colleges Employer Association (UCEA), leading to total pay uplifts of between 5% and 8%, and interim uplifts to support our staff during these challenging times. We also made non-consolidated local awards to staff.

OUR FOCUS

Our focus this year has been on directing the energy and resources of the University to realise the full potential of our ground-breaking research, thought leadership, and transformational education, in the service of the common good.

TRANSFORMING SUSSEX

We have committed to the targeted investment programme of £200m that was introduced in last year's report, comprising a wide-ranging portfolio of projects that are designed to transform Sussex over the next 10 years. These crucial and ambitious projects are being delivered through our education and research portfolios and are underpinned by a wide number of estates and Information Technology Services projects. Every one of these projects will play an important role in enhancing the student and staff experience at Sussex.

Whilst delivering the agreed projects in this year's plan, we are conscious of the development of the new University Strategy over the coming academic year. The overall Capital Programme described below, is flexible and can adapt to the changing needs of the University, including responding to a new strategy. This programme of transformation focuses on the four key areas:

- creating a better campus
- delivering better education
- developing better ways of working
- supporting better research.

CREATING A BETTER CAMPUS

Through our campus development, we can maintain our position as one of the world's leading academic institutions and attract and work with the brightest minds. Sussex benefits from an historic estate, a 1960s campus nestled amongst the South Downs and created by the visionary Modernist Sir Basil Spence. Further innovation and modernisation are now needed to improve our usage of space, facilities, specifications and environmental sustainability. To achieve this, we are investing in both big builds and small changes to our existing space and facilities. These will give us space to provide contemporary accommodation, whilst protecting our listed buildings and architectural heritage for the years to come.

DELIVERING BETTER EDUCATION

Sussex is an internationally recognised centre of learning and research that attracts students from all over the world. As Sussex continues to shape our broad-based spectrum of courses in order to offer a wide choice of world-relevant and stimulating educational experiences, we are creating more opportunities to learn what our students need from us, and what unique and distinctive opportunities they can gain from a Sussex education. We need to deliver our student interactions in ways that meet the demands and expectations of our students. The Capital Programme section sets out the key projects we are currently undertaking to work towards this goal.

DEVELOPING BETTER WAYS OF WORKING

The Covid-19 pandemic gave Sussex's recently-acquired online communication tools a thorough road test, and by developing better feedback loops, we have gained a deeper insight into how technology can enhance our students' experience and improve our processes. Technology enables us to be productive in our work and our interactions – the right tools and equipment can help us to be more efficient and effective, and to work in more flexible, collaborative ways. By improving the experience for people working around campus, as well as the systems and hardware available, we can enhance the ways people work. We can deliver a more seamless working experience, meaning wherever people work from, they work well.

Strategic Report (continued)

SUPPORTING BETTER RESEARCH

As demonstrated in the REF21 results, we are already a leading research university. Improving the quality and impact of our research will keep us top-of-game. We are focusing on a series of key projects described later as part of the Capital Programme, through our newly formed Centres of Excellence as outlined in the Research section of the report.

CAPITAL PROGRAMME

The Size and Shape Programme was undertaken in 2021 to ensure that the University could invest to secure our future. A key part of this was making much-needed improvements to our infrastructure. The 2022/2023 financial year saw the launch of several of these key projects with the aim of Transforming Sussex outlined above and these are being actively managed as part of the University Capital Programme.

The University Capital Programme is being delivered through our education and research portfolios, which are underpinned by a wide range of estates and ITS projects. Every one of these projects will play an important role in enhancing the student and staff experience at Sussex. The five-year Capital Programme totalling £200m was approved by Council in November 2021 covering some 40 projects in total, including three key developments: a new Student Information System, the replacement of our aged IT network, and the West Slope redevelopment. These projects are managed by the Programme Management Office and during this year were governed by the Capital Programmes Committee.

CREATING A BETTER CAMPUS

WEST SLOPE

The proposal to redevelop the West Slope of campus covers around 1/7th of the University's campus footprint. The proposals received planning permission from Brighton & Hove City Council in 2020, but early enabling works were paused at the onset of the Covid-19 pandemic and the project has been under review since. Council decided at the end of 2021 that the University should move ahead with this flagship development, which will provide 1,900 bed spaces. Final contractual commitment is expected in late 2023.

As with the construction of the new East Slope residences, the University is working in partnership with Balfour Beatty, who will raise debt finance to build and operate the project, supplemented by a capital contribution from the University. The University will finance the non-residential aspects of the development, including a new health centre, and increased catering and retail. Preparatory works have already begun.

IMPROVEMENTS AROUND CAMPUS

- **Life Sciences:** This will represent a multi-million-pound investment that is set to transform our Science Quarter buildings. Funding for our Life Sciences improvements has been sourced from a combination of Capital Programme funds and external awards. This funding was secured for laboratory upgrades, helping us to deliver state-of-the-art facilities.
- **Upgrading equipment and systems:** We are upgrading the building management equipment and systems in 31 buildings across campus. The upgrade will give us an understanding, and control, of the heating and ventilation systems, so we can ensure comfortable working conditions and reduce energy use. It will also help reduce costs for the University.
- **Education lab:** To expand our teaching spaces, offices have now been converted into a new education teaching lab for students studying primary or secondary teaching in the School of Education and Social Work.
- **Biomedical Research Facility:** The Biomedical Research Facility (BRF) refurbishment will improve the quality of our facilities, bringing them up to a standard to match that of our competitors.
- **Bramber House:** Following a building inspection in 2022, some of the Reinforced Autoclaved Aerated Concrete (RAAC) panels used in the original construction of Bramber House, were found to be defective. Immediate action was taken to ensure the building was safe, and work is nearing completion to replace defective RAAC panels.

Strategic Report (continued)

SUSTAINABILITY

Sustainability is a guiding principle that underpins all our Capital Programme projects. We plan to reduce our campus carbon footprint, enhance biodiversity across our campus, and reduce our food waste. Major infrastructure projects and capital programmes therefore seek to achieve positive outcomes in terms of sustainability through the materials that are used, the reduction of energy consumption, and in carbon footprint. The key programmes of work are:

- the Network Replacement Project
- the catering re-procurement which was successfully concluded in summer 2023
- PS Places project
- West Slope.

DELIVERING A BETTER EDUCATION

ENHANCING OUR OFFERING

- **Student Information System:** This is a modern and secure system that optimizes processes impacting the student lifecycle and experience, and will be supported by Elucian, a worldwide recognised system provider. It will help increase efficiency, improve data quality, and deliver an improved staff and student experience.
- **Library and Study Environment Programme:** This is a complex change programme that will deliver high-quality, new and refurbished, library and study spaces across campus.
- **Curriculum Reimagined:** This is a project reviewing how our curriculum can evolve to provide the best possible education for our students. The project will offer a curriculum that is distinctive, expresses our values and creates communities of learning that engage students.
- **HESA Data Futures:** This is a new and improved data submission process for staff working with HESA data.

DEVELOPING BETTER WAYS OF WORKING

IMPROVEMENTS FOR PEOPLE WORKING AROUND CAMPUS

- **Cyber security:** This will help the University protect itself from cyber threats and disruption to services.
- **Network replacement:** This is the University's largest self-funded estates project. It aims to bring significant improvements to students and staff by delivering a strong and reliable network, capable of adapting to our changing needs as technology develops.
- **Digital Infrastructure Programme:** This will implement a modern, sustainable, integrated, and secure infrastructure service to underpin the University's digital operations. This will follow a cloud-first strategy, capable of evolving to meet our changing requirements and taking advantage of new technological opportunities.
- **Identity access management:** This will allow staff and students to access systems and software securely, safely, and quickly.
- **PS Places:** This will help optimize our campus by providing the spaces, technology, and policies to support sustainable ways for working, enabling colleagues to connect, collaborate and deliver for the university.

SUPPORTING BETTER RESEARCH

IMPROVING THE QUALITY AND IMPACT OF OUR RESEARCH

- **Research Management System (RMS):** This will help overhaul outdated existing processes and systems, replacing them with a modern cloud-based product. When implemented, the new RMS will support academic and Professional Services colleagues to collaborate on:
 - managing the processes involved in securing external funding for research and knowledge exchange activities
 - supporting, negotiating, and agreeing research contracts
 - managing ethical review and approval processes for all university research.
- **Institutional Repository Refresh:** The University is replacing our legacy institutional repository with a fully hosted software solution from Figshare, which is part of the Digital Science group. It is already in use as the University's research data repository. This will lead to improved workflows, increase opportunities for the discovery of Sussex research, and will streamline future research assessment practices.

Strategic Report (continued)

SUPPORTING OUR COMMUNITY

As every year, a priority of Council, the University Executive Group (UEG) and the University Leadership Team (ULT) has been ensuring that our students, staff and the wider community are collectively supported, particularly during challenging times such as those we have witnessed in the last two years. Outlined below are examples of ways in which we are supporting our students, our staff, and the UK and local community.

SUPPORTING OUR STUDENTS

Sussex has provided Cost of Living support for students through a dedicated task force that increased the Sussex Bursary by £200 for over 3,000 students. The University also provided £2 affordable hot vegetarian and vegan meals for all students, and doubled the student hardship fund.

The University has provided ongoing benefits through the £20m Student Centre facility, opened in April 2022, with the offer of support on a range of welfare issues with experienced advisors, including support for/with:

- concerns affecting study progress
- health and wellbeing issues
- money matters
- improving academic performance
- financial hardship advice and support to students affected by the pandemic
- financial and wellbeing support for students impacted by the war in Ukraine.

SUPPORTING OUR STAFF

To ease the impact of the cost of living increases during the winter months, Sussex made a series of one-off non-pensionable payments for University, Sussex Estates and Facilities (SEF) and Chartwells staff. In August 2022, we re-committed to the Real Living Wage, achieving accreditation with the Living Wage Foundation. We have matched UK Research and Innovation (UKRI) uplifts in stipends paid to post-graduate researchers.

We have also extended our Organisational Development training and development offering to staff, refreshed our Equality, Diversity and Inclusion Strategy and carried out a staff 'Pulse Survey' with local action plans. Staff engagement events were held regularly, including the Vice-Chancellor's Open Forums, Professional Services Bigger Picture events, Capital Programme and UEG engagement webinars. Each of these events gave staff the opportunity to engage and ask questions. The £2 meal option is also available to all staff.

SUPPORTING THE UK AND LOCAL COMMUNITY

As well as supporting our students and staff during this challenging period, the University has continued to maximise our contribution to the national effort through various strands of work.

Our ongoing collaborations and research fosters innovation, social entrepreneurship and economic development locally, regionally, nationally and globally. We are supporting local services for children and refugees to help them reach their full potential and help to make sustainable development a reality.

Our efforts have also supported communities on a local level. We have continued to provide residential support where it has been needed, and medical support via Brighton and Sussex Medical School (BSMS) – the University's joint medical school, run with the University of Brighton. Through the Medical School, we have helped many alumni, students and staff to fill much-needed roles in hospitals and the NHS.

Strategic Report (continued)

FINANCIAL MANAGEMENT

The University continues to develop our capabilities for, and culture of, strong financial management, fostered through the responses required by the pandemic and the Size and Shape programme. We continue to see improved residential and commercial income, higher levels of UK Research and Innovation (UKRI) grants due to REF21, alongside effective budgetary and cost control measures over the period. As a result, the University has made strides in financial resilience over the period.

The inflationary pressures in costs reported last year continue due to the economic challenges posed by the war in Ukraine, and the impact it has had on energy prices, inflation, and increases in interest rates. The University continues to assess the ongoing risks and opportunities we face. We execute short and medium-term financial measures to mitigate any financial impact.

SHORT-TERM FINANCIAL MEASURES

The University has continued to monitor opportunities and risks, to respond to these as soon as practically possible to either identify and implement action plans to mitigate these risks or to consider the opportunities available. Given higher levels of international student recruitment, 2022/23 resulted in net uplifts in tuition fee income. There were also savings to staff costs owing to vacancies in both academic and professional posts.

The combined effect allowed the University to commit to additional short-term non-recurring tactical investment in Schools and Professional Services in the second half of the academic year. These benefits also provided scope to offer the one-off non-pensionable payments to University, SEF and Chartwells staff detailed earlier, as well as cost of living support to our student community as described in the earlier section on Supporting Our Students.

The University will continue to monitor financial risks and opportunities and react accordingly if necessary by deploying means that help to mitigate the financial impact to performance and cash flow.

MEDIUM-TERM FINANCIAL MEASURES

Beyond the current financial year, the greatest challenge facing the University is inflationary pressures on staff costs, utility costs, and contractual costs linked to inflation. These include the project costs associated with the Capital Programme.

The University is continuing to monitor inflationary pressures and assess their likely financial impact. Overall student numbers for 2023/24 are likely to be slightly lower than budgeted, but this will be managed financially. Improvements to UKRI grant income and philanthropic awards have been budgeted to be reinvested in Schools in the forthcoming year.

Discussions are ongoing between the University and the recognised trade unions with respect to pay, conditions and pensions. It is possible that industrial action could occur in 2023/24 with risk of disruption at affected universities. The University has implemented the UCEA pay awards of between 5% and 8% via two tranches commencing in February 2023, the last of which was delivered 1 August 2023. We will continue to liaise locally with Sussex University and College Union (UCU) with overall pay discussions being conducted via UCEA and national union bodies.

The local USPAS pension scheme funding is now stabilised following the de-risking of the pension scheme by the trustees at the end of 2022. We have not changed the surplus in the Balance Sheet and since the scheme is fully funded, this scheme is highly unlikely to pose any financial issues for the University in future. For the USS shared pension scheme, the current payments and balance sheet liabilities include payments relating to the recovery plan from 2022. The valuation being undertaken as at 31 March 2023 will show a surplus in the scheme, and the provisions for future recovery plan payments will therefore be released once the valuation has been signed off before our next year-end.

School and Divisional plans and targets continue over a five-year time horizon, as the University seeks to preserve the rebalance the institution achieved through Size and Shape, making it more resilient and fit for purpose for the future. The medium-term financial plans reflect this and will be revisited as part of Academic Business Planning in 2024. Despite the headwinds described earlier, the combination of the plans underway and the ongoing recovery in income leave the University well placed to tackle the challenges we face.

To better understand the on-boarding of each major project, the Capital Programme has also been reviewed in terms of its profiling and phasing over the next five years.

As the programme progresses, there will be scope to apply further re-phasing if the need arises in order to conserve cash flow in the medium term.

Strategic Report (continued)

STRATEGY

OUR VISION AND MISSION

The distinctive ethos with which the University of Sussex was established more than 60 years ago still animates our work today. From our beginnings, Sussex challenged convention and fostered critical thinking. The University set out to disrupt traditional ways of creating and organising knowledge and, in doing so, developed our own distinctive identity which fostered a strong sense of purpose.

In our seventh decade, the early emphasis on innovation, interdisciplinarity, intellectual rigour, and internationalism continues to define Sussex. Our success is built on these practices and is underpinned by the institutional values that we strive to enact – collaboration, courage, inclusion, integrity, and kindness – and by our foundational commitment to academic freedom and freedom of speech.

STRATEGIC FRAMEWORK

Our agreed strategic framework to create a 'better University for a better world' will continue to guide the institution to 2025 through four areas: learning to transform, researching with impact, "engaging for change", and building on our strengths. As we approach 2025, Council has asked for the University Executive to work on developing the University strategy beyond 2025. This work commenced in September 2023. A proposed University strategy to 2035 will be presented to Council later in the coming financial year.

TEACHING, LEARNING AND THE WIDER STUDENT EXPERIENCE

Our goal of delivering a transformative education experience to our students, as set in our Sussex 2025 strategic framework, incorporates new ways to make learning and teaching exciting and contemporary. Across our on campus and online programmes, we continue to pioneer and integrate innovations in educational pedagogy, learning methods and digital technologies. We want our curriculum to challenge our students with rigorous, research-led content, to inspire them to be critical thinkers, and to encourage disruptive, entrepreneurial imagination to meet future global challenges.

Our new Student Centre is fundamental to an ambitious transformation in how our students access friendly, expert, and personalised services across campus as well as digitally. We want to create a strong sense of belonging and community for all

students, creating spaces to build relationships and to be creative and share ideas. We are proud to have launched both The Spirit of Sussex Award, which celebrates students' extracurricular activities, and The Connector Programme, through which staff and students work together to improve the student experience at Sussex.

A RESEARCH-INTENSIVE UNIVERSITY

We received excellent REF2021 results. We are ranked by the *Times Higher Education (THE)* 27th in the UK for research power and market share, up from 34th in 2014, and we are placed 32nd for research impact. 89 per cent of our research is 'world leading' or 'internationally excellent'. 93 per cent was assessed as 'outstanding' or 'very considerable' – up from 80.7 per cent in 2014.

We have an exceptionally strong international profile to our research, being ranked first in the world for Development Studies in the *QS World University Rankings (THE) 2023* for the seventh year running in partnership with the Institute for Development Studies. We are also proud to have been named among the top 50 universities in the world for delivering on the UN Sustainable Development Goals in research, teaching, stewardship, and outreach in the *THE Impact Rankings 2023*, and 35th globally in the *QS World University Rankings 2023* for sustainability. We are also ranked 218th overall as a University in the *QS World University Rankings 2024*.

We have longstanding strengths in artificial intelligence, anthropology, biosciences, economics, English, gender and sexuality studies, geography, history, media and communication studies, physics, politics and international relations, psychology, science policy and social policy, sociology, and sustainability research. These established areas of excellence are joined by emerging and consolidating strengths in business and management, digital humanities, law, and medicine. The 2023 edition of the Chartered Association of Business Schools research income report confirmed that our Business School received the highest research income of any Business School in the UK in 2020/21.

We have a number of Research Programmes and Centres of Excellence that highlight our commitment to interdisciplinary research, and which provide creative opportunities to solve some

Strategic Report (continued)

of our most pressing research challenges in new ways, such as the Sussex Centre for Research on Kindness. We also have several active doctoral training partnerships, including a £17m Arts and Humanities Research Council (AHRC) grant which funds around 75 studentships, which collectively promote excellence in research, knowledge exchange and postgraduate training. From questioning the ethics of artificial intelligence to challenging policies that cause poverty and inequality, our researchers are at the forefront of translating research into positive change. Our focus continues to be on how we can advance knowledge to create a better world.

GLOBAL ENGAGEMENT AND IMPACT

The University hosts 4,500 students from over 130 countries annually and welcomes one of the largest UK communities of prestigious Chevening Scholars. Our network of global alumni reflects our long history of internationalisation. With over 330 academic partners in 60 countries, we have established mutually beneficial relationships with outstanding global partners that underpin our initiatives for student and staff mobility, research collaboration and international teaching programmes.

We were ranked 8th in the world for international student exchange mobility by the *World Universities Rankings for Innovation (WURI)* 2022.

We have aligned our engagement priorities with Global Grand Challenges and deliver impact-led projects world-wide. We display empathy and compassion which helps develop a strong international focus and awareness in our students and staff.

INCLUSIVE SUSSEX

Achieving equality, diversity and inclusion is fundamental to the success of the University of Sussex. We aspire not just to reduce inequalities in outcomes for individuals, but to use our expertise, commitment, and courage to challenge the status quo and address chronic issues of under-representation and disadvantage.

We have taken bold action to transform the campus into one that is experienced as inclusive by all our communities. This has included understanding and addressing power relations and the intersecting inequalities that many members of our community experience. Our goal has been to create a culture where everyone thrives, making Sussex a beacon in the sector nationally and internationally.

We have much to be proud of in building an equal, diverse, and fair community at Sussex. We are aware that we have more to do to make the University truly equal and inclusive; for example, by closing the gender pay gap, improving the representation and experience of black and minority ethnic staff, closing the awarding and employment gaps between different groups of students, and making our campus fully accessible.

Our vision is for all members of our community to have equal access to opportunities, and to experience the University as one that enables them to fully meet their potential and supports them to make a full contribution to the University. For further information on the University's commitment and approach to EDI, please see <https://www.sussex.ac.uk/equalities/>

KNOWLEDGE EXCHANGE AND BUSINESS ENGAGEMENT

In the past four years, we have stimulated a more entrepreneurial approach to research through supporting new channels of commercialisation, as a result of new directions taken as part of the Sussex 2025 strategy. The pace of our spinouts has increased sixfold, the number of patents awarded to Sussex has doubled and the number of new software product licenses has more than doubled. Sussex's portfolio of nearly 115 graduate and staff businesses enjoyed a combined turnover of £34m in 2021/22 – double the turnover levels of four years ago. Together, these businesses attracted external investment of £23m and supported 600 jobs.

We have substantially increased our capability to embed entrepreneurial learning, engage students in extra-curricular entrepreneurship programmes, and enable graduate interns and student-led consultancies to create scalable opportunities to address real-world challenges.

We have focused on making an active contribution to driving the civic and economic fortunes of our region, working closely with partners on common challenges and co-create new, innovation-focused economic opportunities. Our goal is to be an 'anchor' institution in the city region, making a difference to business vitality, civic leadership and social wellbeing locally, as well as on a global stage, and to this end we have just appointed the University's first Pro-Vice-Chancellor (Global and Civic Engagement).

For more information, visit www.sussex.ac.uk/collaborate

Strategic Report (continued)

SUSTAINABLE SUSSEX

We have built on existing areas of sector-leading performance in sustainability. Sussex has its own renewable energy farm with 3,000 solar panels and we were the first UK university to introduce an aerobic digester for food waste. This year we scored 100 per cent in three areas of the 2022/23 *People and Planet University League Table*. The 'Sustainable Sussex' strategy was published in 2021 and we are now moving to operationalise more of the objectives. The University has strengths in all 17 of the UN's Sustainable Development Goals.

Our key aims include:

- Reaching net zero by 2035 – including both direct and indirect carbon emissions via decarbonised infrastructure and ethical procurement activity.
- Embedding sustainability into all aspects of student learning and experience.
- Recycling 50 per cent of waste by 2025 – and reduce the waste produced per student by 10 per cent by 2025.
- Creating the UK's most biodiverse campus – setting aside up to half of the site for nature.
- Having more staff and students volunteering in their local community – including through a new charity partnership with Surfers Against Sewage.

Our strategy is grounded upon consultation and collaboration at every level. It has been co-created with the University's students, staff, partners and stakeholders. Our academics have also been doing tremendous work to protect and restore the environment. For example, Sussex biologists are involved in conservation projects across the globe, including joining a local initiative to protect and restore the Sussex coast's kelp fields that have been depleted by trawling. We also have a new Industrial Decarbonisation Research and Innovation Centre, which received £20m from UK Research and Innovation.

All these sustainability efforts, and more, have earned us praise and recognition. The University was named among the world's top 50 for delivering on the UN SDGs in research, teaching, stewardship and outreach in the *Times Higher Education (THE) World Impact Rankings 2023* and 35th globally in *QS World University Rankings 2023* for sustainability.

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 19-27.

FINANCIAL STATEMENTS

The Financial Statements for the 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/operator of the Sussex Innovation Centre – and Sussex Estates and Facilities LLP, the University's facilities management partner.

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.

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.

The consolidated accounts are prepared and presented under Financial Reporting Standard 102 (FRS102) and the Further and Higher Education SORP (SORP 2019).

The strategic report is drawn up in accordance with FRS 102 and the FEHE SORP.

Strategic Report (continued)

FINANCIAL REVIEW

The Group consolidated income and expenditure (including our share of University of Brighton joint venture income and expenditure) and surplus/(deficit) retained in the Group for the year ended 31 July 2023 and the previous three years are realised as follows:

	2022/23	2021/22	2020/21	2019/20
	£m	£m	£m	£m
Income	380.2	346.2	316.1	320.5
Expenditure	343.5	377.3	294.8	282.5
Surplus/(Deficit) for the year	35.2	(43.0)	22.6	38.3
Represented by:				
Non-Controlling Interest	1.4	0.9	0.8	0.6
Surplus/(Deficit) retained within the Group	33.8	(43.9)	21.8	37.7

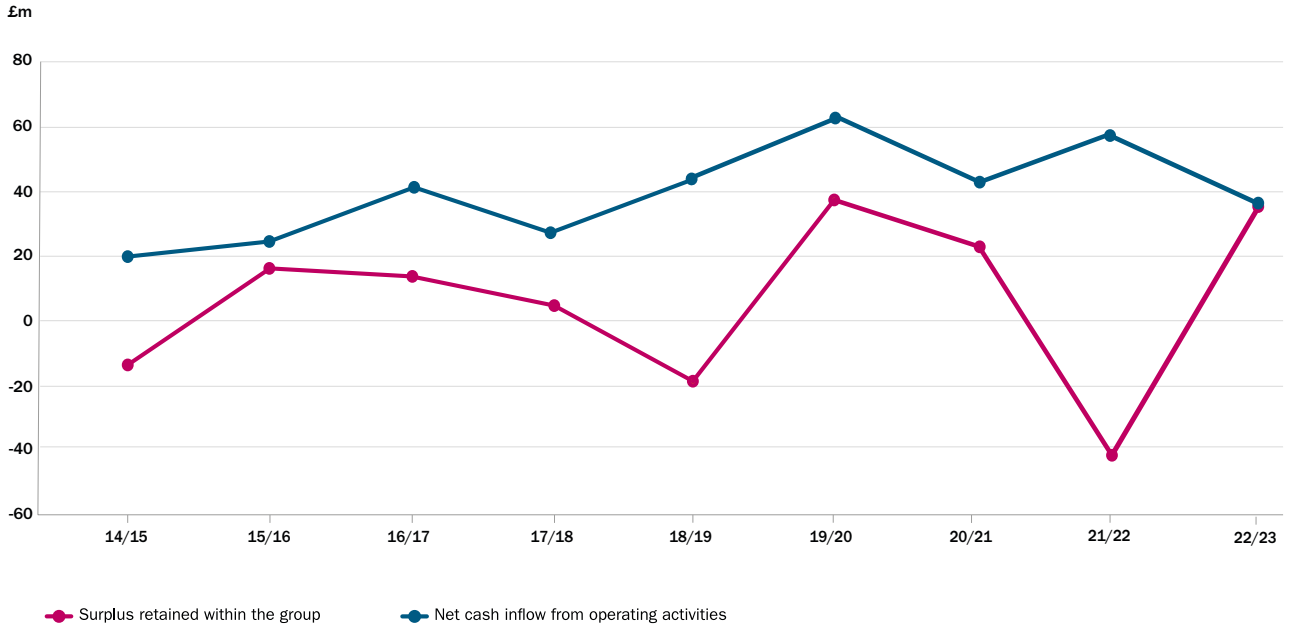
The University group recorded a surplus in 2022/23 of £35.2m compared to a deficit of (£43.0m) for 2021/22. These results include adjustments to recognise the University's funding obligations to the Universities Superannuation Scheme (USS). This generated a £11.1m credit in 2022/23 as the obligation was remeasured under the existing valuation basis. A larger charge of £62.1m was recognised in the prior year.

Other comprehensive income includes the £2.1m actuarial loss in respect of the University of Sussex Pension and Assurance Scheme (USPAS) pension scheme and a £1.4m mark-to-market loss in investments. These are unrealised gains/losses and subject to significant volatility year-on-year. They are therefore excluded from analysis of the performance of the University's core activities.

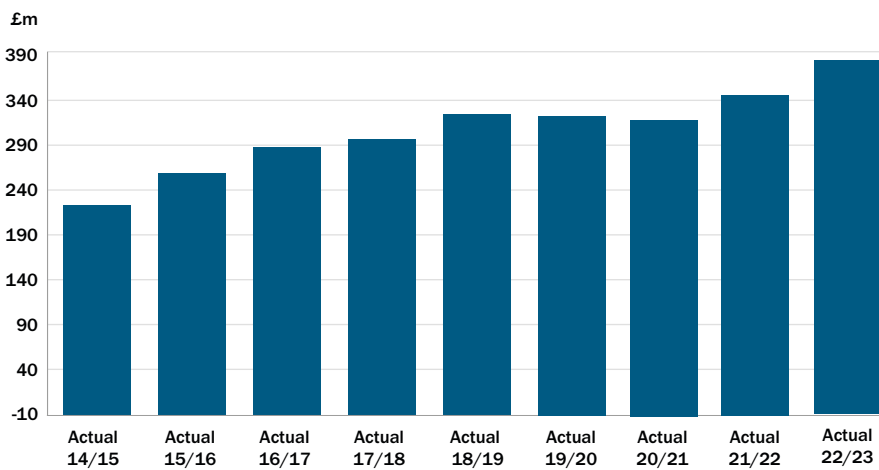
Since the Surplus/Deficit retained in the group is affected by volatile periodic improvements in pension valuations, the University considers net operating cashflow a more reliable ongoing measure of financial performance. Actual surpluses and net operating cash are shown on the right-hand page. These demonstrate that cash performance has been positive and consistently so in contrast to accounting surpluses, which 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 of £35.2m in 2022/23 (£57.2m in 2021/22) and expects continuing positive cash generation in 2023/24.

Strategic Report (continued)

SURPLUS/(DEFICIT) AND NET OPERATING CASH

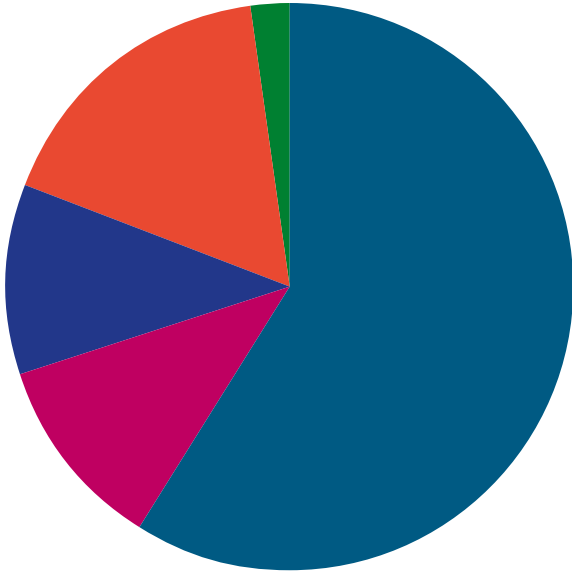


TURNOVER



Strategic Report (continued)

INCOME



The University group's total income in 2022/23 was £380.2m, representing an increase of £34.0m (9.8%) compared to the previous year (£346.2m). This was owing to the combined benefit of higher proportions of international students, increased UK Research and Innovation (UKRI) quality-related (QR) income, and the return of residences and other income to pre-Covid levels. Tuition fees continue to be the most significant element, making up 58% of total income.

Tuition income rose by £12.9m (6.2%) despite a reduction in the overall number of students by 36 full-time equivalent (FTE) to 18,089 FTE from 18,125 in 2021/22. This uplift in income was driven by increased proportions of international students overall to 27% of total students for 2022/23 compared to 24% in the previous year. Home Undergraduate students dropped year-on-year by 350 FTE (3%) and Home Postgraduate Taught by 363 student FTE (22%). The reduction in Home income was more than offset by an increase of 112 International FTE (4%) and a 469 (34%) International Postgraduate Taught which benefitted from higher levels of tuition fees.

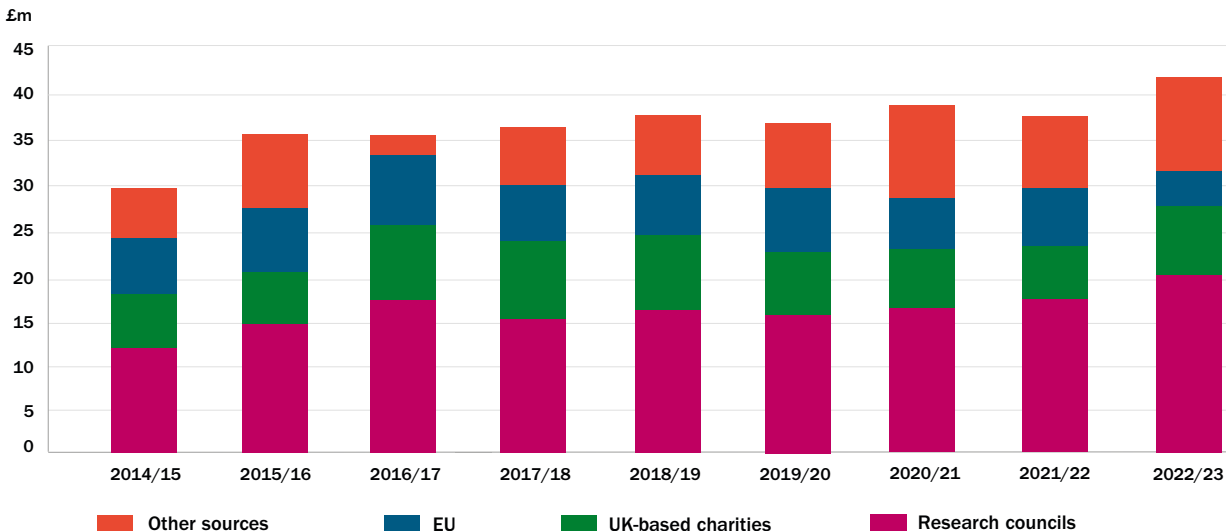
2022/2023

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

The recurrent grants that the University receives from the Office for Students, Research England and Department for Education increased by £8.2m (25.6%) from last year to £40.4m. This was primarily due to the University's successful performance in REF2021 leading to a £4m uplift in UKRI Grant Income, and an increased capture of Capital Grants.

Other income increased by £2.0m, or 3.4%, due to the ongoing recovery of other residences through Summer School and catering to pre-pandemic levels with continued strong student presence on campus. Donations income more than doubled from last year, increasing by £3.8m to £5.3m, with gifts from a number of individuals and trusts, including the Peter Bennett Foundation, the Wolfson Foundation, the Rudd Family Foundation, the Leverhulme Foundation and the Jusaca Charitable Trust.

RESEARCH INCOME



Strategic Report (continued)

Research contract income increased by £4.1m to £42.0m (10.8%) compared to the previous year (£37.9m).

RESEARCH

Research income rose significantly in 2022/23, growing by almost 11% from £37.9m in 2021/22 to just under £42.0m. This reflects the continued recovery in the value of grants being received since the Covid-19 pandemic. In 2022/23, we saw a small increase in grant acquisition to £43.5m, from £42.9 million the previous year, despite the number of awards declining from 230 to 221. Of our awards, 25 were valued at over £0.5m, with eight of them worth over £1m to Sussex.

Some of the highest value awards secured during the year were:

- £4.1m Engineering and Physical Sciences Research Council (EPSRC) 'Centre for Energy Demand Research' led by Professor Mari Martiskainen from SPRU in the Business School
- £2.9m Science and Technology Facilities Council (STFC) grant entitled 'Astronomy Centre Consolidated Grant 2023-2026' led by Dr Stephen Wilkins from Physics in our School of Mathematical and Physical Sciences (MPS)
- £2.65m Wellcome Trust grant 'Spatiotemporal control of meiotic recombination' led by Professor Matt Neale from Genome in the School of Life Sciences
- £1.9m EPSRC award 'SUS-POL: Supply-side policies for fossil fuels' led by Professor Peter Newell from International Relations in our School of Global Studies
- £1.8m EPSRC award entitled 'The shielding role of the nuclear periphery against the genetic and non-genetic consequences of DNA damage' led by Professor Evi Soutoglou in Genome in the School of Life Sciences
- £1.3m Wellcome Trust grant looking at 'The chromosome protection mechanism under normal and replication stress environments' led by Kok-Lung Chan in Genome in the School of Life Sciences
- £1.3m EPSRC grant entitled 'A Single-Crystal X-ray Diffractometer for High-Power, High-Throughput Chemical Crystallography' led by Professor Richard Layfield in Chemistry in the School of Life Sciences
- £1.1m Medical Research Council (MRC) grant entitled 'HeartRater: Clinical. Optimizing ADIE therapy for the treatment of anxiety in underserved populations' led by Professor Hugo Critchley in Clinical Neuroscience in the Brighton and Sussex Medical School.

During this year we also received a prestigious fellowship award:

Professor Andrea Banfi from Physics in our School of Mathematical and Physical Sciences received an STFC Ernest Rutherford Fellowship worth £0.6m.

With the proportion of research income the University receives from the European Commission declining from 17% to just 9%, the news that the UK will be rejoining the Horizon Europe programme is welcome and potentially bodes well for our research income performance in the coming years, given previous success in attracting EU funding.

The University continues to benefit from the outcome of REF2021 where an increase in Quality-Related (QR) funding from Research England of nearly £4m per annum was received during 2022/23.

REVENUE EXPENDITURE

Total expenditure decreased by £33.8m from 2021/22 to £343.5m. This is primarily due to a significant movement in the pension adjustment made in the year compared to 2021/22, with a current year credit of £11.1m (compared to charge of £62.1m last year). Elsewhere there were increases in both staff and non-pay costs which are described in further detail below. The expenditure increase excluding pension adjustment was £39.4m, representing an underlying increase of 12.5% from 2021/22.

The University's cost base includes total staff costs of £163.8m. Staff costs include an £11.1m credit which represents the reduction in the calculation of the present value of recovery plan payments to USS as a result of the increase in discount rates.

This year-end's adjustment continues to reflect the adoption of the USS March 2020 valuation last year in April 2022, which included an uplift in employer's contribution. The underlying staff costs before the pension adjustment are £175.0m and have increased 4.3% from last year, reflecting a combination of the cost of living inflation, partially mitigated through an increase in staff being charged directly to the Capital Programme, and ongoing staff vacancies due to delays in recruitment.

Other operating expenses increased by £25.6m (22.9%) compared to last year, to a cost of £137.6m. 2022/23 saw a £3.0m increase in utility and service costs as a result of rises in global energy prices. Depreciation cost also increased by £4.4m to £32.0m reflecting the increased spend of capital programmes and projects that were temporarily frozen during the pandemic.

Strategic Report (continued)

CAPITAL INVESTMENT

The University's capital investment plans include its £200m capital programme, approved in 2021 for delivery over five years, and a further £64m of projects approved prior to 2021. 55 projects, with a value of £258m, started during or before 2022/23 or are due to start in 2023/24. 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. The projects that were paused during Covid – until there was greater certainty over student recruitment numbers – were resumed in 2021/22 and are central to our current investment programme.

During the year, £43m has been spent as part of ongoing investment in the buildings infrastructure and IT resilience of our campus in Falmer. This included £7m spent on long term maintenance projects and other operating expenditure items and £36m spent on major capital and infrastructure projects. Expenditure on projects during 2022/23 included – West Slope residences enabling and early works (£20m) work to upgrade the University-wide computing network infrastructure (£3m); the Student Information System replacement (£3m); other smaller projects including Mechanical and Electrical buildings upgrades across the campus, general improvements to the estate and investment in computing, systems and telephony (£10m). Of the £43m invested in our investment programme £21m was capital and £22m expensed to revenue.

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 treasury management policy informed by published CIPFA guidance and 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 £200m 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 UK Research and Innovation (UKRI) and Office for Students.

The University took out a £40m long-term non-amortising interest only facility with Barclays Bank plc – which was fully drawn by 2009/10 – and £50m 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 £100m in April 2017. The private placement for £100m was entered into in September 2017. The private

placement was arranged so that no more than £50m 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 £35.2m (£57.2m in 2021/22) was achieved, which funded the year's capital investment. Taking the balance sheet items "Investments" and "Cash and cash equivalents" together (as current asset investments are mainly short fixed-term deposits) the University's available funds have decreased only slightly this year by £3.8m (increased by £72.6m in 2021/22).

The University holds £223m in current asset investments, which include £15.1m of investments held in support of restricted endowment reserves. The remaining £207.9m 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 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 provision of £76.4m is recognised on the consolidated balance sheet made up of a £82.7m provision in respect of the Universities Superannuation Scheme (USS) and an asset of £6.3m 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 2023 and an asset of £6.3m 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.

Strategic Report (continued)

The March 2020 valuation and leg 1 of the associated statement of contributions was agreed by the Joint Negotiating Committee (JNC) in April 2022, resulting 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 is around £6.0m per annum, rising to £8.2m. 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 £14.2m on the 2021-22 year-end provision. The deficit recovery payments form part of combined past and future service contributions that are budgeted and are only marginally above current combined employer contributions.

As noted above, the USS valuation being undertaken as at 31 March 2023 will show a surplus and the provisions for future recovery plan payments will therefore be released once the valuation has been signed off before our next year-end.

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.

RESERVES

Consolidated reserves have increased by £32.2m to £413.5m at the balance sheet date 31 July 2023 compared to £381.3m in 2022, 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. £16.4m of these reserves also 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 2023 was 38 (35.7 Full-Time Equivalent – FTE) compared to 35 (FTE 33.4) last year. 37 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 0.12% compared to 0.10% last year. The percentage of time spent on paid trade union activities as a percentage of total paid facility time hours was 1.7%.

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 10,904 tCO₂ for Gas compared to 9,085 last year and 0 tCO₂ for Electricity compared to 0 the previous year*. Energy consumption was 59.6 mKWh for Gas (49.8 last year) and 15.4 mKWh for Electricity (13.3 the previous year).

Movements from the prior year figures are due to a higher post-Covid-19 population of students on site and a higher utilisation of gas-powered combined heat and power to generate heat and electricity for the campus.

*We have used Market-based reporting to report our carbon emissions for the current and prior year figures (as opposed to the location-based reporting used previously). This reflects the carbon benefits of our procurement strategy.

FUTURE OUTLOOK

The end of the 2022/23 academic year continued to be heralded with the wonderful celebration of in-person graduations at the Brighton Centre. Some universities in the UK had difficulty awarding final grades in time for graduation due to industrial action and the marking and assessment boycott. The University actively sought to work closely and collaboratively with Sussex University and College Union (UCU) colleagues throughout the dispute, and we were pleased to see the end of the boycott in September. We hope that this continues for the forthcoming year.

The start of the new 2023/24 academic year is likely to continue to present challenges as well as opportunities for the University and the HE sector. Early indications of overall student numbers for 2023/24 suggest lower than budgeted numbers for the University, but we will manage reduced income, as necessary.

This financial year is likely to continue to see ongoing increases in expenditure due to inflation and high energy costs. This will continue to be closely monitored with corrective action being taken as is deemed necessary.

Strategic Report (continued)

The forthcoming year presents several opportunities for the University. This includes the recently concluded re-tender of the Catering Service at the University with the incumbent Chartwells being successful. This will lead to positive enhancements in the offering to our community as well as supporting a more environmentally sustainable operation. We have also commenced a similar re-tender for the Facilities Management service at the University, which will continue well into 2024 and offer several opportunities.

Following considerable stakeholder engagement, Council also approved the recommendation to move to the establishment of four new units of academic organisation, which will be Faculties. This will enable the University to better respond to the challenges we face by:

- improving academic leadership through whole-University knowledge, representation, accountability, and responsibility in steering the University
- providing greater resilience, agility, and capacity for strategic planning
- enabling better support for interdisciplinary research and teaching.

As part of the budgeting process and the two-year forecast up to 31 July 2025, the University has considered the likely financial outturn for the University over this period. Our forecast has been based upon the latest emerging trends and student registration data and has been stress tested allowing for cost uplifts highlighted earlier and any deterioration in performance.

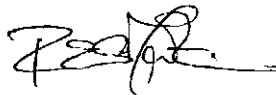
Our projected outcomes clearly demonstrate the University's ability to meet our future financial obligations and, in our judgement, to continue operating successfully as a going concern. We will continue to monitor the risks and opportunities facing the University and respond accordingly to these with management plans to ensure that we continue to have a financially secure institution. To this aim, the University will continue to target consistent net operating cash surpluses, which will become more challenging with steep increases in costs not met by frozen home undergraduate fees.

It is now two years since actions were taken with the delivery of Size and Shape and the rebalancing of our University. This has continued to serve us well and has made us more resilient in weathering the ongoing headwinds that continue to face the UK and HEI sector. As we approach 2025 we recognise the need to design a reinvigorated strategy that looks forward to the following 10 years to 2035. Council therefore approved a University-wide engagement process to help shape this new strategy that will be presented to Council in 2024.


The University is continually seeking to offer better value for money to students and to the taxpayer. We also continue to focus on increasing core and non-core income, reviewing costs across the University and making investments in the student experience. We continue to emphasise teaching innovation and investing in a number of high value but relatively low-cost investments in technology enhanced learning and student engagement technologies, and we have a coherent roadmap onward to 2025.

This was the final year for Dame Denise Holt as Chair of Council. Dame Denise stepped down after six years of outstanding service to the University. We would like to extend our heartfelt thanks to Dame Denise for the wonderful support that she has given to the institution as a whole and to Council. Rosemary Martin, who served as Vice-Chair of Council, was announced as Denise's successor.

Despite the challenges facing the University, Council remains confident in our future financial position given the proactive planning and monitoring process, our clear and targeted investment programme, and the ongoing choices that will be made in the coming years in order to meet our long-term objectives. We would like to take the opportunity to recognise the dedicated commitment and support of our staff, who have demonstrated the essence of the University's values and to thank them accordingly. We also want to recognise the amazing tenacity and resilience our students continue to display.



Rosemary Martin
Chair of Council



Professor Sasha Roseneil
Vice-Chancellor

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 2023 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 ongoing updates throughout the process and the final review was presented to and endorsed by Council in September 2021. It was reported to Council in March 2023 that over past 18 months, all 32 recommendations had been considered, 30 had been implemented. Of the remaining two, it was decided to not be appropriate for Sussex at this time and Council was assured that the remaining actions had been integrated into business-as-usual planning. 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 15 independent non staff or 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.

TRANSPARENCY OF CORPORATE GOVERNANCE ARRANGEMENTS

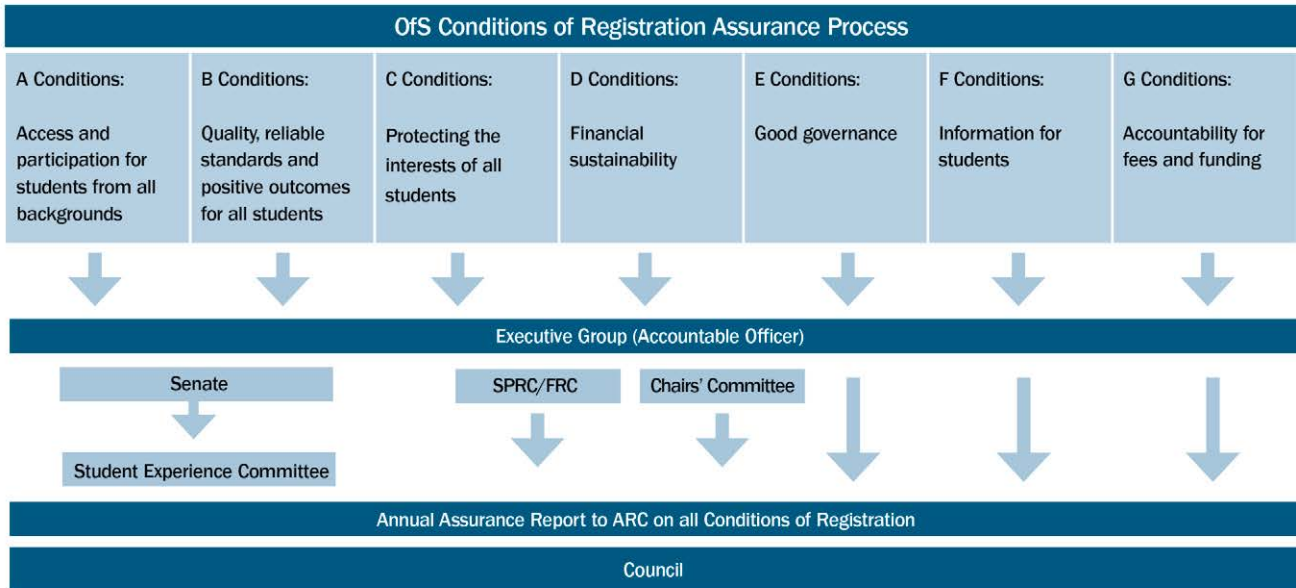
The University is committed to transparency regarding its governance arrangements and ensures this through publication of governing documents on its internal platform, Sussex Direct, including terms of reference and membership of Committees, publication of Council and Committee papers where practicable. 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 ARC and Council from the Vice Chancellor (the OfS Accountable Officer) and the Committees who have oversight of each area. Additionally, during 2022/23 and to the date of signing the financial statements Council and its sub-committees have received regular updates on the changing regulatory environment.

Corporate Governance (continued)

OfS CONDITIONS OF REGISTRATION



In addition to the OfS's Conditions of Registration the University is subject to the OfS Terms and Conditions of Funding and other regulation including from the Health and Safety Executive; the Home Office (with regard to both Visas and Licences); the Human Tissue Authority; and the Competition and Markets Authority (CMA). Senior University Executives have responsibility as Licence Holders in each of these areas, a review is undertaken annually to ensure ongoing compliance, 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 (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 from the senior executives 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. Council has a membership of 25. These are: the Vice-Chancellor; 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 the Research Postgraduate School. Council meets at least three times a year. During 2022/23 academic year and up until the approval of these statements, it met eight times. During the 2022/23 academic year, Council approved changes to its sub-committee structure to improve the scrutiny of matters of Council business. There are now six sub-committees of Council, Senate and one joint committee with the University of Brighton.

Corporate Governance (continued)

In September 2022, the Chair of Council notified Council that she would not be undertaking a third term and so the University initiated the recruitment of a new Chair of Council. During 2022/23, the Chair of Council had a period of absence (January 2023 – May 2023). The Vice-Chair acted as interim Chair during this period. In May 2023, the Chair of Council stood down with immediate effect.

Council approved the appointment of the interim new Chair of Council for the remainder of the predecessor's term before beginning their three-year term from 1 August 2023. The University is 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 2023.

MEMBERSHIP OF COUNCIL AND ATTENDANCE

Independent members of Council are appointed for three-year terms, 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 meaning of the Charities Act 2011. Those members listed below were members of Council during 2022/23 or have joined Council between the year-end and the date of the financial statements being signed.

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.

Attendance during 2022/23 at sessions of Council is as set out below. There were four full meetings of Council during the 2022/23 academic year, in November 2022, January 2023, March 2023 and July 2023. There were three additional virtual meetings held in February 2023, May 2023 and June 2023 to manage additional business that fell outside of the normal cycle of business. There was one full meeting of Council between July 2023 and up until the signing of these statements.

Name	Status	Start date on council	Term	Current end date	Attendance							
					25 Nov 22	20 Jan 23	17 Feb 23	31 Mar 23	12 May 23	6 Jun 23	14 Jul 23	8 Nov 23
Dame Denise Holt	Independent (Chair)	1 Aug 2017	2	12 May 2023	✓	A	A	A	✓	N/A	N/A	N/A
Rosemary Martin	Independent (Vice-Chair)	14 Dec 2017	2	14 Dec 2026	✓	✓	✓	✓	A	✓	✓	✓
Susan Angoy	Independent	1 Jan 2023	1	31 Dec 2026	N/A	A	A	A	✓	✓	✓	A
Kirstin Baker CBE	Independent	1 Aug 2014	3	31 Jul 2023	✓	✓	✓	✓	✓	✓	A	N/A
Tony Bullman	Independent	1 Aug 2018	2	31 Jul 2024	✓	✓	✓	A	A	✓	✓	✓
Professor Stephen Caddick	Independent	21 Mar 2018	2	20 Mar 2024	✓	✓	✓	✓	✓	✓	✓	✓
David Curley	Independent	1 Aug 2018	2	31 Jul 2024	✓	✓	✓	✓	✓	A	✓	✓
Mark Devlin	Independent	1 Oct 2017	2	31 Jul 2023	✓	✓	✓	✓	✓	A	✓	✓
Katie Ghose	Independent	24 Sep 2015	3	31 Jul 2024	✓	✓	A	✓	✓	A	✓	✓
Alison Haig-Davies	Independent	1 Jan 2023	1	31 Dec 2026	N/A	✓	✓	✓	✓	✓	✓	N/A
Professor Paul O'Prey	Independent	1 Aug 2021	1	31 Jul 2024	✓	✓	✓	✓	✓	✓	✓	✓

Corporate Governance (continued)

Name	Status	Start date on council	Term	Current end date	Attendance							
					25 Nov 22	20 Jan 23	17 Feb 23	31 Mar 23	12 May 23	6 Jun 23	14 Jul 23	8 Nov 23
Jane Parsons	Independent	1 Aug 2016	2	31 Jul 2025	✓	✓	✓	✓	✓	✓	A	✓
Aleema Shivji	Independent	15 Nov 2018	2	14 Nov 2024	✓	✓	A	✓	✓	A	✓	N/A
Nick Watson	Independent	12 Mar 2020	1	31 Jul 2026	✓	✓	✓	✓	✓	✓	A	A
Richard Zaltzman	Independent	26 Mar 2020	1	31 Jul 2026	A	✓	✓	✓	✓	✓	✓	✓
Professor Sasha Roseneil	Ex-officio (Vice-Chancellor)	1 Aug 2022	N/A	N/A	✓	✓	✓	✓	✓	✓	✓	✓
Professor Keith Jones	Ex-officio (Provost)	1 Aug 2022	N/A	31 July 2023	✓	✓	✓	✓	✓	✓	✓	N/A
Rose Linehan	Ex-officio (USSU)	23 July 2022	1	23 Jul 2023	✓	✓	A	✓	✓	A	A	✓
Professor Sara Crangle	Elected by Senate	7 Sep 2020	1	31 Jul 2023	✓	✓	✓	✓	✓	✓	✓	✓
Dr Paul Gilbert	Elected by Senate	1 Aug 2021	1	31 Dec 2022	A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dr Kristine Hickie	Elected by Senate	1 Sep 2022	1	31 Aug 2025	N/A	N/A	N/A	✓	A	A	✓	✓
Professor Jo Moran-Ellis	Elected by Senate	1 Jan 2022	1	18 Jan 2025	✓	✓	✓	✓	✓	A	✓	✓
Max O'Donnell-Savage	Elected by Professional Services Staff	1 Aug 2020	1	31 Jul 2023	A	A	A	✓	✓	✓	✓	N/A
Professor Charlotte Skeet	Elected by academic staff	1 Aug 2021	1	31 Jul 2024	✓	✓	✓	A	A	✓	✓	✓
Professor Gordon Finlayson	Elected by academic staff	1 Oct 2022	1	31 Jul 2025	✓	✓	✓	✓	✓	✓	✓	✓
Professor Michael Luck	Provost	1 Sep 2023	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓
Professor Miriam Zukas	Independent member	1 Aug 2023	1	31 July 2026	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓
Pippa Robinson	Elected by Professional Services Staff	1 Aug 2023	1	31 July 2026	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓
Josh Francis	Ex-officio (PGR)	1 Aug 2023	1	31 July 2024	N/A	N/A	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.

COMMITTEES OF COUNCIL

In the academic year 2022/23, Council approved changes to its committee structure which came into force from 1 April 2023. The changes were proposed to streamline the consideration of capital and financial matters and provide a focused space for the consideration of strategic performance. The period of operation of each committee is included below each committee summary.

COMMITTEE STRUCTURE IN OPERATION

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 (Strategic Performance and Resources Committee until 31 March 2023 and Finance and Resources Committee from 1 April 2023), 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. There were two co-opted members during 2022/23. Although Senior 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 2022/23 up until the approval of these statements, ARC met six times for planned meetings. ARC held one additional meeting in September 2022 to review the 2022/23 internal audit plan and proposed tender process for the University's tax audit.

In operation: August 2022 – up until the approval of these statements

Strategic Performance and Resources Committee (SPRC) has oversight of the development and implementation of institutional strategy within the University as well as shaping key enabling strategies; scrutiny of financial planning and budgeting; and scrutiny of the overall performance of the University in line with its strategy and financial plans. It is chaired by an independent member of Council and its membership includes at least four other independent members of Council, the Vice-Chancellor, the University of Sussex Students' Union (USSU) Council Representative and two staff members of Council. In 2022/23 SPRC met two times before the committee retired in March 2023.

In operation: August 2022 – March 2023

Capital Programmes Committee (CPC) was set up in August 2018 to provide oversight and assurance of those significant projects above the threshold requiring Council approval. Its membership comprises a Chair who is an independent member of Council and member of SPRC, two other independent members of Council, a co-opted independent member (position vacant during 2022/23), professional services representative on Council, an academic member of Council and the Vice-Chancellor. In 2022/23, CPC met two times before the committee retired in March 2023.

In operation: August 2022 – March 2023

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.

In operation: August 2022 – up until the approval of these statements

Remuneration Committee (B) determines the principles and strategy for the reward of all staff excluding the Vice-Chancellor. It also determines the remuneration of the Provost, Pro-Vice-Chancellors, Chief Operating Officer and 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 Strategic Performance and Resources Committee (changed to the Chair of Strategy and Performance Committee and the Chair of Finance and Resources Committee from April 2023) and the Chair of Audit and Risk Committee. In 2022/23 it was agreed to expand the membership to include the Vice-Chair of Council. The Vice-Chancellor is not a member of either Remuneration Committee and only attends meetings of Remuneration Committee (B) regarding staff pay. In 2022/23 and to the date of signing these financial statements, Remuneration Committee A met four times, and Remuneration Committee B met four times.

Corporate Governance (continued)

In operation: August 2022 – up until the approval of these statements

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 are heard and acknowledged. Within its remit SEC also monitors the performance against the Access and Participation Plan targets as agreed with the Office for Students (OfS). Its membership comprises a Chair from amongst the independent members of Council; at least two other independent members of Council; both student members of Council; one staff member of Council; and the Vice-Chancellor. In 2022/23 and to the date of signing these financial statements SEC met four times.

In operation: August 2022 – up until the approval of these statements

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 2022/23 and to the date of signing these financial statements, Chairs' Committee met seven times.

In operation: August 2022 – up until the approval of these statements

Brighton and Sussex Medical School Joint Board remained in place with changes to its remit and membership agreed by the Universities of both Sussex and Brighton 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, as well 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 operation: August 2022 – up until the approval of these statements

Finance and Resources Committee (FRC) was established in April 2023. The Committee combined the financial oversight that sat with Strategic Performance and Resources Committee and the capital and projects oversight that sat with Capital Programme Committee. In 2022-23 and to the date of signing these financial statements, FRC has met twice.

In operation: April 2023 – up until the approval of these statements

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 KPI/Ts and effectiveness of people and equality, diversity and inclusion initiatives.

In operation: April 2023 – up until the approval of these statements

SUB-COMMITTEES REPORTING TO THE UNIVERSITY EXECUTIVE GROUP

Capital Strategy and Investment Board; People, Culture and Inclusion Committee; Health, Safety and Environment Committee; Sustainability Committee; Risk Management Group, Reputation Management Group, and Inclusive Sussex Programme Board were management committees reporting to the University Executive Group during 2022/23.

VICE-CHANCELLOR

The Vice-Chancellor, appointed by Council after consultation with Senate, exercises management supervision of the University.

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 is the Accountable Officer of the University.

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

PUBLIC FUNDING

The University is in receipt of public funding from the OfS; UK Research and Innovation (UKRI), the Department for Education (DfE) and the Education and Skills Funding Agency. 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 UKRI 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

Corporate Governance (continued)

- 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 for the University of Sussex.

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 require: 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.

Sussex is recognised for its contribution to global academy and human knowledge and striving to sustain its distinctive academic endeavour. Internationalism is embedded in the intellectual and social life of Sussex, with students and staff from a diverse and numerous range of nations, contributing to the experience of all those studying and working here. Our students benefit from high-quality inspirational teaching which is research led and of lasting academic value and impact, for the benefit and enrichment of society.

Our students and staff are key to the intellectual capital of one of the UK's most enterprising cities, Brighton & Hove, where the University is recognised as a major asset for economic growth and key contributor to the region's cultural resources and cosmopolitan life. Research at Sussex benefits daily lives in a wide spectrum of activities, informing public policy and bringing new technologies for the benefit of society. The campus sits at the centre of the University's research, teaching and learning activities providing fit-for-purpose IT, research facilities, libraries, learning and social spaces, which provide the appropriate infrastructure to sustain and grow the impact of our academic endeavour, both globally and regionally.

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

Corporate Governance (continued)

arrangements for the prevention and detection of corruption, fraud, bribery and other irregularities for the year ended 31 July 2023 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 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 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

As the governing body, Council has responsibility for the University's risk management framework and for reviewing the effectiveness of the system of internal control. For this purpose, the Audit and Risk Committee oversees and provides assurance on the operation of the internal control systems and risk management framework.

The Vice-Chancellor established a new Risk Management Group in September 2022 to provide a forum for the University Executive and professional services colleagues to consider: the Institutional Risk Register, the effectiveness of mitigating activity and overall progress towards mitigation. The Group also receives regular reports from Schools and Professional Service Divisions on their emerging risks to ensure they are reflected in the Institutional Risk Register. The Group is supported in its purpose by internal audit and considers the outcomes of internal audit reports ahead of their consideration at Audit and Risk Committee. Risk management within Schools and Divisions is supplemented by risk assessments and monitoring by project managers for cross-organisational projects.

THE RISK AND CONTROL FRAMEWORK

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 Senior Officers on the steps they are taking to manage risks in their areas of responsibility, including progress reports on key projects.

Corporate Governance (continued)

- 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 is based on 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 Director of Finance 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 Senior Executives and through these reports assures itself of that there is a comprehensive system of risk management is operational 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 Group, a sub-group of the University Executive Group (UEG), termly prior to submission to Audit and Risk Committee. Members of the Risk Management Group 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 Council's Strategic Performance and Resources Committee (September 2022 – March 2023) and Strategy and Performance Committee (April 2023 – date of signing these statements) 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.

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 an opinion on 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, is 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 2023 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 2025, 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 on 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 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 2023 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 2023 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 Financial Statements, 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.

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 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

- 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; and

Our risk assessment 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.

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

Considering performance targets and the related financial statement areas impacted by these.

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
- Involvement of forensic specialists in the audit to in relation to cyber fraud to assess investigative work performed

- 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.

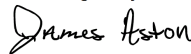
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, 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 (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor
Gatwick

United Kingdom

Date: 13 December 2023

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



Arts A

Statement of Comprehensive Income

	NOTES	YEAR ENDED 31 JULY 2023		YEAR ENDED 31 JULY 2022	
		CONSOLIDATED	UNIVERSITY	CONSOLIDATED	UNIVERSITY
		£'000	£'000	£'000	£'000
INCOME					
Tuition fees and education contracts	1.1	222,326	222,326	209,425	209,425
Funding body grants	1.2	40,356	39,928	32,145	31,307
Research grants and contracts	1.3	41,994	41,994	37,905	37,905
Other income	1.4	62,526	63,181	60,481	60,903
Investment income	1.5	7,698	7,372	4,791	4,203
Total income before endowments and donations		374,900	374,801	344,747	343,743
Donations and endowments	1.6	5,269	5,269	1,499	1,499
TOTAL INCOME		380,169	380,070	346,246	345,242
EXPENDITURE					
Staff costs before pension adjustment	2.1	174,960	165,122	167,703	159,402
Pension adjustment	2.1	(11,114)	(11,114)	62,066	62,066
Total staff costs		163,846	154,008	229,769	221,468
Other operating expenses	2.3	137,623	149,531	111,995	120,826
Depreciation	3	32,018	31,742	27,652	27,388
Interest and other finance costs	2.2	10,002	9,859	7,894	7,725
TOTAL EXPENDITURE		343,489	345,140	377,310	377,407
SURPLUS/(DEFICIT) BEFORE OTHER GAINS/(LOSSES)		36,680	34,930	(31,064)	(32,165)
Loss on investments		(1,392)	(1,392)	(11,865)	(11,865)
SURPLUS/(DEFICIT) BEFORE TAX		35,288	33,538	(42,929)	(44,030)
Taxation		(77)	(77)	(112)	(112)
SURPLUS/(DEFICIT) FOR THE YEAR		35,211	33,461	(43,041)	(44,142)
Actuarial (loss)/gain in respect of pension schemes	17	(2,126)	(2,126)	20,049	20,049
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		33,085	31,335	(22,992)	(24,093)
Represented by:					
Endowment comprehensive income/(loss) for the year	11	1,084	1,084	(2,632)	(2,632)
Unrestricted comprehensive income/(loss) for the year		30,577	30,251	(21,221)	(21,461)
Non-controlling interest		1,424	-	861	-
		33,085	31,335	(22,992)	(24,093)
SURPLUS/(DEFICIT) FOR THE YEAR ATTRIBUTABLE TO:					
Non-controlling interest		1,424	-	861	-
University		33,787	33,461	(43,902)	(44,142)

All items of income and expenditure relate to continuing activities.

The accompanying notes and policies on pages 40 to 72 form part of these financial statements.

Balance Sheet

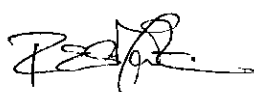
	NOTES	YEAR ENDED 31 JULY 2023		YEAR ENDED 31 JULY 2022	
		CONSOLIDATED	UNIVERSITY	CONSOLIDATED	UNIVERSITY
		£'000	£'000	£'000	£'000
NON-CURRENT ASSETS					
Fixed assets	3	430,207	426,776	423,115	419,415
Investments	5	6,132	822	6,316	893
		436,339	427,598	429,431	420,308
CURRENT ASSETS					
Stock		134	36	120	41
Trade and other receivables	6	53,373	66,787	47,272	60,573
Investments	7	222,966	222,966	265,615	265,615
Cash and cash equivalents		76,680	70,352	37,837	29,354
		353,153	360,141	350,844	355,583
Creditors: amounts falling due within one year	8	(111,204)	(110,056)	(117,693)	(111,701)
NET CURRENT ASSETS		241,949	250,085	233,151	243,882
TOTAL ASSETS LESS CURRENT LIABILITIES		678,288	677,683	662,582	664,190
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	9	(186,737)	(186,421)	(189,798)	(189,314)
PROVISIONS					
Pension provisions	10	(76,415)	(76,415)	(90,644)	(90,644)
Other provisions	10	(1,658)	(166)	(886)	(886)
TOTAL NET ASSETS		413,478	414,681	381,254	383,346
RESTRICTED RESERVES					
Income and expenditure reserve – endowment reserve	11	16,377	16,377	15,293	15,293
UNRESTRICTED RESERVES					
Income and expenditure reserve – unrestricted		393,510	397,939	362,933	367,688
Capital Reserve		1,802	-	1,802	-
Revaluation reserve		365	365	365	365
		412,054	414,681	380,393	383,346
Non-controlling interest		1,424	-	861	-
TOTAL RESERVES		413,478	414,681	381,254	383,346

The accompanying notes and policies on pages 40 to 72 form part of these financial statements.

The financial statements were approved and authorised for issue by the Governing Body on 24 November 2023 and were signed on its behalf on that date by:



Professor Sasha Roseneil, Vice-Chancellor
(Accountable Officer)



Rosemary Martin, Chair of Council



Allan Spencer, Director of Finance

Consolidated Cash Flow Statement

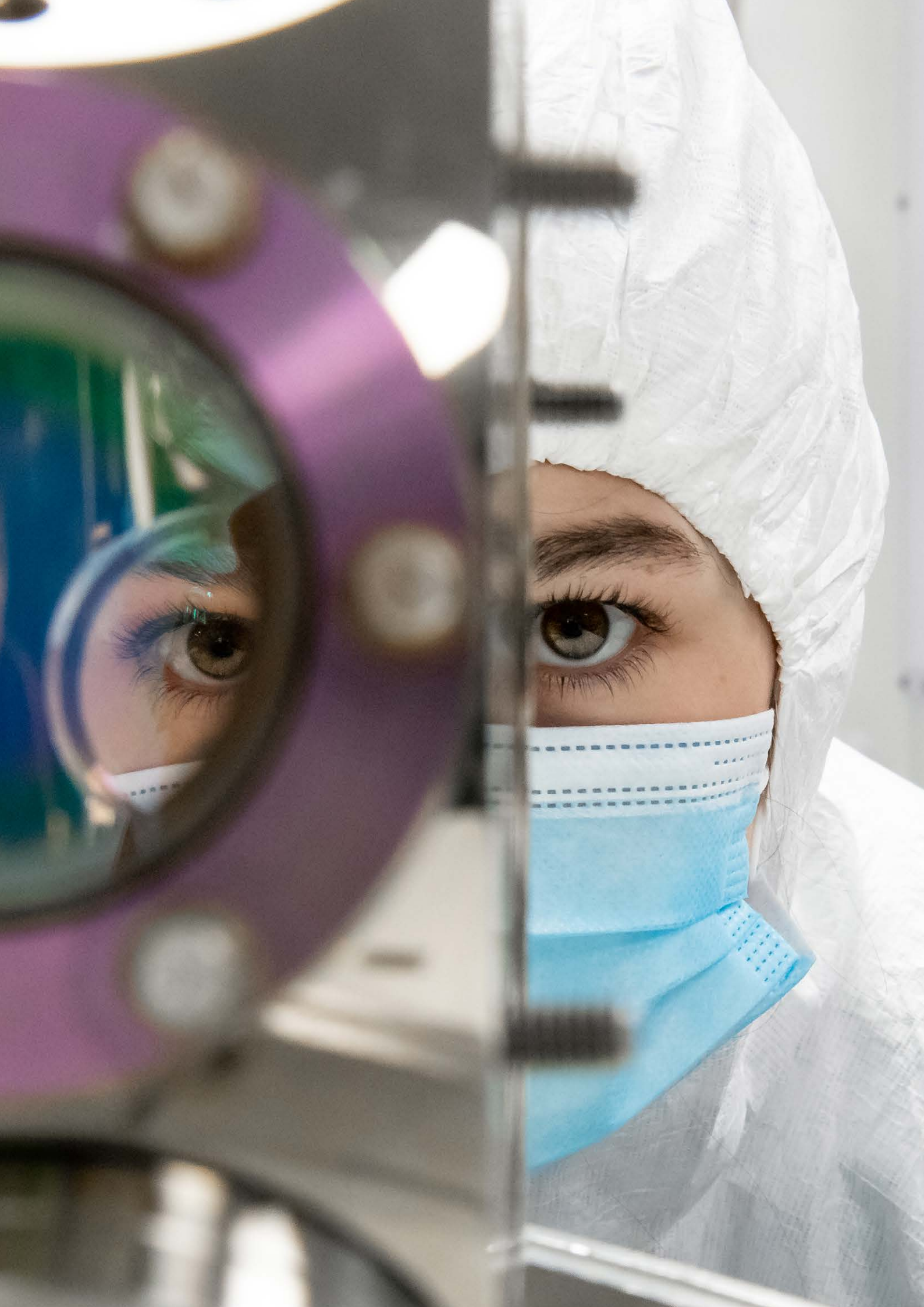
	NOTES	YEAR ENDED 31 JULY 2023 £'000	YEAR ENDED 31 JULY 2022 £'000
CASH FLOW FROM OPERATING ACTIVITIES			
Surplus/(Deficit) for the year		35,211	(43,041)
ADJUSTMENT FOR NON-CASH ITEMS			
Depreciation	3	32,018	27,652
Loss on investments	5	301	2,089
Decrease in stock		(14)	(48)
Increase in debtors	6	(6,359)	(6,027)
(Decrease)/Increase in creditors	8	(7,304)	18,477
(Decrease)/Increase in pension provision		(16,355)	57,560
Increase/(Decrease) in other provisions	10	772	(635)
ADJUSTMENT FOR INVESTING OR FINANCING ACTIVITIES			
Investment income	1.5	(7,698)	(4,791)
Interest payable	2.2	10,002	7,894
Operating lease income		(366)	(321)
Endowment income	11	(3,155)	(16)
Write down of discontinued capital project	3	360	-
Capital grant income		(2,193)	(1,603)
NET CASH INFLOW FROM OPERATING ACTIVITIES		35,220	57,190
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital grant receipts		2,193	1,603
Withdrawal of deposits		42,532	-
Investment income received	1.5	7,956	4,978
Payments made to acquire fixed assets	3	(24,692)	(14,846)
New short term deposits	7	-	(36,730)
		27,989	(44,995)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(10,012)	(7,882)
Interest element of finance lease		(20)	(27)
East Slope fees and enabling works		-	(968)
Endowment cash received		3,155	16
Distribution to non-controlling interest		(861)	(846)
Repayments of amounts borrowed	8	(2,389)	(2,421)
Capital element of service concession		(14,172)	(10,418)
Capital element of finance lease		(67)	(28)
		(24,366)	(22,574)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS IN THE YEAR		38,843	(10,379)
Cash and cash equivalents at beginning of the year		37,837	48,216
Cash and cash equivalents at end of the year	19	76,680	37,837

The accompanying notes and policies on pages 40 to 72 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 2021	17,925	384,154	1,802	365	404,246	846	405,092
Distribution of non-controlling interest	-	-	-	-	-	(846)	(846)
	17,925	384,154	1,802	365	404,246	-	404,246
Deficit from the statement of comprehensive income	(2,330)	(41,572)	-	-	(43,902)	861	(43,041)
Other comprehensive income	-	20,049	-	-	20,049	-	20,049
Release of restricted funds spent in year	(302)	302	-	-	-	-	-
Total comprehensive income for the year	(2,632)	(21,221)	-	-	(23,853)	861	(22,992)
BALANCE AT 1 AUGUST 2022	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 31 JULY 2023	16,377	393,510	1,802	365	412,054	1,424	413,478
UNIVERSITY							
BALANCE AT 1 AUGUST 2021	17,925	389,149	-	365	407,439	-	407,439
Deficit from the statement of comprehensive income	(2,330)	(41,812)	-	-	(44,142)	-	(44,142)
Other comprehensive income	-	20,049	-	-	20,049	-	20,049
Release of restricted funds spent in year	(302)	302	-	-	-	-	-
Total comprehensive loss for the year	(2,632)	(21,461)	-	-	(24,093)	-	(24,093)
BALANCE AT 1 AUGUST 2022	15,293	367,688	-	365	383,346	-	383,346
Surplus from the statement of comprehensive income	2,429	31,032	-	-	33,461	-	33,461
Other comprehensive loss	-	(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	30,251	-	-	31,335	-	31,335
BALANCE AT 31 JULY 2023	16,377	397,939	-	365	414,681	-	414,681

The accompanying notes and policies on pages 40 to 72 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.”

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 2023. 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 and Sussex U H ESR 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 Strategic Report. The Strategic 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 block grant, 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.
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.

Statement of Principal Accounting Policies and Estimation Techniques (continued)

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 bought 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.

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.

Statement of Principal Accounting Policies and Estimation Techniques (continued)

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. If the plan is in a surplus position, where scheme assets exceed obligations, the University will recognise an asset to the extent the surpluses in the scheme are recoverable by the University. This net defined benefit plan position 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.

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.

Statement of Principal Accounting Policies and Estimation Techniques (continued)

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.

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.

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 equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. Deposits are repayable on demand if they have a maturity of three months or less from the date of acquisition. 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.

Statement of Principal Accounting Policies and Estimation Techniques (continued)

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.

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

In preparing these financial statements, the Council have 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.

Statement of Principal Accounting Policies and Estimation Techniques (continued)

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 2025, including Income & Expenditure, Balance Sheet and Cash flow.
 - Constructed future student number forecasts and scenarios based upon latest available data sources.
 - Considered the financial risks and opportunities facing the University.
 - Conducted stress testing on future baseline cash-flows.
 - Reviewed the ability to meet future covenants.

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

Notes to the Financial Statements

NOTE 1 INCOME

	YEAR ENDED 31 JULY 2023		YEAR ENDED 31 JULY 2022	
	CONSOLIDATED £'000	UNIVERSITY £'000	CONSOLIDATED £'000	UNIVERSITY £'000
1.1 TUITION FEES AND EDUCATION CONTRACTS				
Full-time home and EU students	112,790	112,790	116,695	116,695
Full-time international students	98,547	98,547	81,448	81,448
Part-time students	6,944	6,944	7,423	7,423
Research Training Support Grant	66	66	68	68
Short courses	3,979	3,979	3,791	3,791
	222,326	222,326	209,425	209,425
1.2 FUNDING BODY GRANTS				
RECURRENT GRANTS:				
Teaching grants from OfS	9,087	9,087	8,652	8,652
Research grants from UKRI	23,090	23,090	16,987	16,987
Department for Education	870	870	407	407
Capital Grants	2,193	2,193	1,603	1,603
SPECIFIC GRANTS:				
Higher Education Innovation Fund	4,672	4,672	3,609	3,609
Other grants	444	16	887	49
	40,356	39,928	32,145	31,307
1.3 RESEARCH GRANTS AND CONTRACTS				
Research councils	20,570	20,570	17,154	17,154
UK-based charities	7,345	7,345	6,155	6,155
European Commission	3,788	3,788	6,521	6,521
Other grants and contracts	9,817	9,817	7,591	7,591
Donations and endowments	474	474	484	484
	41,994	41,994	37,905	37,905
1.4 OTHER INCOME				
Residences, catering and other operations	46,011	48,106	43,096	44,769
Other services rendered	5,111	3,671	4,694	3,443
General academic services	809	809	1,208	1,208
NHS Income	7,014	7,014	6,695	6,695
Staff and student services	1,240	1,240	994	994
Central administrative	611	611	2,412	2,412
Other income	1,730	1,730	1,382	1,382
	62,526	63,181	60,481	60,903
1.5 INVESTMENT INCOME				
Investment income on endowments	39	39	7	7
Other investment income	7,659	7,333	4,784	4,196
	7,698	7,372	4,791	4,203
1.6 DONATIONS AND ENDOWMENTS				
New endowments	3,155	3,155	16	16
Donations with restrictions	2,114	2,114	1,483	1,483
	5,269	5,269	1,499	1,499

FINANCIAL STATEMENTS 2022-23

NOTE 1 INCOME (CONTINUED)

	YEAR ENDED 31 JULY 2023		YEAR ENDED 31 JULY 2022	
	CONSOLIDATED	UNIVERSITY	CONSOLIDATED	UNIVERSITY
	£'000	£'000	£'000	£'000
1.7 GRANT AND FEE INCOME				
Grant income from the OfS	9,363	9,363	8,682	8,682
Grant income from other bodies	72,989	72,560	61,349	60,530
Fee income for taught awards (exclusive of VAT)	211,207	211,208	198,910	198,910
Fee income for research awards (exclusive of VAT)	7,260	7,260	6,526	6,526
Fee income from non-qualifying courses (exclusive of VAT)	3,857	3,857	3,989	3,989
Total grant and fee income	304,676	304,248	279,456	278,637

NOTE 2 EXPENDITURE

2.1 STAFF COSTS

	YEAR ENDED 31 JULY 2023		YEAR ENDED 31 JULY 2022	
	CONSOLIDATED	UNIVERSITY	CONSOLIDATED	UNIVERSITY
	£'000	£'000	£'000	£'000
Salaries	141,520	133,002	132,821	125,707
Social security costs	14,710	13,982	13,581	12,919
Other pension costs	18,730	18,138	21,301	20,776
Staff costs before pension adjustment	174,960	165,122	167,703	159,402
Pension adjustment	(11,114)	(11,114)	62,066	62,066
Total staff costs	163,846	154,008	229,769	221,468

The significant Pension adjustment in 2021/22 arose on adoption of the USS March 2020 valuation. This created a new provision for deficit contribution payments owed by the University. See note 17 for further detail.

	YEAR ENDED 31 JULY 2023	YEAR ENDED 31 JULY 2022
	£'000	£'000
1 AUGUST 2022 TO 31 JULY 2023		
EMOLUMENTS OF THE VICE-CHANCELLOR SASHA ROSENEIL		
Salary	285	-
Other Remuneration	31	-
Non-taxable benefits:		
Death in service and incapacity benefits	18	-
Qualifying Relocation Expenses	8	-
Total Remuneration	342	-

	YEAR ENDED 31 JULY 2023	YEAR ENDED 31 JULY 2022
	£'000	£'000
1 SEPTEMBER 2021 TO 31 JULY 2022		
EMOLUMENTS OF THE PREVIOUS INTERIM VICE-CHANCELLOR DAVID MAGUIRE:		
Salary	28	229
Other Remuneration	16	1
Non-taxable benefits:		
Death in service and incapacity benefits	-	-
Total Remuneration	44	230

	YEAR ENDED 31 JULY 2023	YEAR ENDED 31 JULY 2022
	£'000	£'000
1 AUGUST 2021 TO 31 DECEMBER 2021		
EMOLUMENTS OF THE PREVIOUS VICE-CHANCELLOR ADAM TICKELL:		
Salary	-	127
Other Remuneration	-	-
Non-taxable benefits:		
Death in service and incapacity benefits	-	6
Total Remuneration	-	133

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

The University does not make any pension contributions on behalf of the Vice-Chancellor or previous interim Vice-Chancellor.

NOTE 2 EXPENDITURE (CONTINUED)

The Vice-Chancellor's salary is 7.5 times the median pay of staff calculated on a full-time equivalent basis (2022: n/a times).

The Vice-Chancellor's remuneration is 7.6 times the median remuneration of staff calculated on a full-time equivalent basis (2022: n/a times).

The previous interim Vice-Chancellor's salary is 7.5 times the median pay of staff calculated on a full-time equivalent basis (2022: 6.7).

The previous interim Vice-Chancellor's remuneration is 6.3 times the median remuneration of staff calculated on a full-time equivalent basis (2022: 5.3).

THE VICE-CHANCELLOR'S REMUNERATION

The University has adopted the Committee of University Chairs (CUC) Code to guide its approach to decisions relating to the remuneration of its senior staff to ensure that, through the work of its two Remuneration Committees, it is able to demonstrate its processes for determining senior staff pay are rigorous, transparent and fair. This is in order to give assurance to: the University's students, staff, alumni, funders, the Government, and the public generally, that the University is judicious in its use of resources and how it remunerates its senior staff. In particular, balancing the need to recruit, retain and reward high calibre staff who are able to deliver the best outcomes for students, society and the economy while demonstrating effective use of the University's resources. This is published in the Remuneration Annual Report (RAR) which is submitted to Council by the Remuneration Committee, pursuant to the Committee of University Chairs Higher Education Senior Staff Remuneration Code ("CUC Code").

Senior staff performance is managed through a well-established process of objective-setting, performance reviews and development discussions. A range of institutional indicators inform individual objectives, including:

- a) Education: e.g. TEF, NSS, student outcomes and employability, teaching awards, feedback on the student experience, education innovation.
- b) Research: e.g. research leadership, publications, grants, impact, citations, engagement.
- c) leadership and citizenship: e.g. quality of academic or professional leadership, excellent service provision and continuous improvement, enhanced School or Service performance, contribution to wider University goals beyond own functional role, through project leadership, Committee work, assuming additional Officership roles, leading major change projects.
- d) Engagement: e.g. leadership in external academic or professional networks: regional, national and international, contribution to Government's Industrial and Civil Society Strategies, shaping or contribution to external policy agenda.
- e) The University's values as outlined in the Sussex 2025 strategy document.

Professor Sasha Roseneil began in post on 1 August 2022. In her interview for the role of Vice-Chancellor, Professor Roseneil articulated a clear and compelling vision for the University. This is for Sussex to be recognised nationally and globally as a university that is making a unique, innovative, and transformative contribution to environmental sustainability and human flourishing through its research and enterprise, through its educational and extra-curricular provision, and in its institutional life and actions. In her first year, Professor Roseneil began to bring that vision to life. Her objectives for the year were a blend of matters requiring immediate attention and longer-term areas of focus. Professor Roseneil focused on these objectives and made a very strong start in delivering on them. These objectives were agreed with Chair of Council in summer 2022 and formally reviewed in October 2023. Set out below are the highlights of the work Professor Roseneil undertook during the year in fulfilment of these objectives.

To improve Sussex's standing, Professor Roseneil took an active part in the preparation of the University's Teaching Excellence Framework (TEF) submission; engaged with the Office for Students; commissioned a review of student experience; and established a working group to focus on reputation building. Much of the management of this work is ongoing so it is too early to assess impact. In addition, Professor Roseneil met with stakeholders of the University in the UK and internationally. She has developed relationships with other higher education institutions, met with UK members of Parliament, local authorities and local employers; and visited partners, alumni and other stakeholders in China, Singapore, Malaysia, Hong Kong, Thailand, USA and Mexico. Professor Roseneil also contributed to the national debate on higher education by having thought-pieces and articles published in the national press and academic media on a range of topics. The arrival of a new Vice-Chancellor also provided a great opportunity to strengthen our links with alumni and supporters and excite them about the future of the University. 2022/2023 was also one of the most successful years in terms of philanthropic income raised, with just under £10m pledged.

NOTE 2 EXPENDITURE (CONTINUED)

2022/23 was marked by the sector-wide industrial action and marking and assessment boycott by members of the UCU which affected Sussex and other universities and, regrettably, affected students and staff. Building a strong community at Sussex is one of Professor Roseneil’s objectives and as part of this Professor Roseneil has overseen the work to deliver the UCU/University of Sussex agreement that was made in 2022 to re-set collegiate relations on campus. To improve communications within the University, during 2022/23 Professor Roseneil led “town hall” and other meetings with University Schools, faculty, and staff on a wide range of topics including: proposals to develop the academic structure of the University, advancing ‘Inclusive Sussex’, mental health and well-being, academic freedom and freedom of speech, and responsibilities as a regulated institution. During the year, she also visited academic departments and divisions of Professional Services and introduced regular communications to staff and students to deepen her understanding of the University and to establish trusted communications channels.

Professor Roseneil has also developed relationships with the Students’ Union and student societies. She oversaw the University’s response to the cost of living crisis, winning notable plaudits (<https://www.sussex.ac.uk/broadcast/read/60372>) for the support offered students. A key dimension of a healthy community is its environment and so the catering management contract was re-procured during the year with clear commitments to sustainability and recognition of the University’s values being embedded in the new contract. In addition, Professor Roseneil oversaw the programme for improved IT capabilities on campus and the plans for development of the West Slope accommodation. She also instigated a programme of remedial work on the fabric of some of the University’s buildings.

Professor Roseneil addressed the objective of strengthening and updating the underpinnings and infrastructure of the University by reviewing governance and delivery structures. In the year, Council approved the proposal to develop a Faculty structure in the University. This will become effective in 2024/5. The faculty model is expected to build on our pioneering history of interdisciplinary research and education and will strengthen academic leadership and ensure greater resilience across the University.

Looking to the longer term, Professor Roseneil has led work on several fronts in furtherance of the objective to develop a new strategy for Sussex. Work has been ongoing during the year on the University’s Curriculum Reimagined project and workstreams have been established to develop the Sussex 2035 Strategy during 2023/24, with plans for extensive consultation with students, staff, local communities, and other stakeholders.

FINANCIAL STATEMENTS 2022-23

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 2023	NUMBER 2022
£100,000 to £104,999	10	17
£105,000 to £109,999	13	9
£110,000 to £114,999	9	7
£115,000 to £119,999	8	6
£120,000 to £124,999	3	6
£125,000 to £129,999	2	8
£130,000 to £134,999	10	5
£135,000 to £139,999	5	2
£140,000 to £144,999	3	3
£145,000 to £149,999	1	4
£150,000 to £154,999	3	1
£155,000 to £159,999	1	1
£160,000 to £164,999	1	-
£165,000 to £169,999	1	-
£170,000 to £174,999	-	2
£175,000 to £179,999	1	-
£180,000 to £184,999	-	1
£185,000 to £189,999	1	-
	72	72

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University and are represented as the University Executive Group (UEG). The total remuneration paid to key management personnel was £1,394,000 in 2023 (£2,107,000 in 2022) excluding the remuneration of the previous Vice-Chancellor and interim Vice-Chancellor, which are detailed above.

No payments to senior staff in lieu of notice were made to senior post-holders during the year (2022: £Nil).

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

	NUMBER 2023	NUMBER 2022
Academic	1,413	1,391
Technical	154	115
Management & specialist	1,303	1,202
Other	242	204
	3,112	2,912

TRUSTEE EXPENSES

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

The total expenses paid to or on behalf of 15 council members was £7,000 (2022: £500 to four 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 £1,176,000 which was paid across 81 Individuals (2022: £3,331,000 across 150 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 Institution's Remuneration Committee. Amounts for compensation for loss of office and redundancy for all other staff are approved by Institution management in accordance with delegated authority.

All Voluntary Severance Schemes run by the University have been dealt with separately, via approval by Council. This total includes £850,000 of severance payments across 14 individuals in relation to the third Voluntary Severance Scheme. This was provided for in the prior year.

FINANCIAL STATEMENTS 2022-23

NOTE 2 EXPENDITURE (CONTINUED)

	YEAR ENDED 31 JULY 2023		YEAR ENDED 31 JULY 2022	
	CONSOLIDATED £'000	UNIVERSITY £'000	CONSOLIDATED £'000	UNIVERSITY £'000
2.2 INTEREST AND OTHER FINANCE COSTS				
Loans wholly repayable within five years	15	-	35	-
Loans not wholly repayable within five years	6,917	6,789	7,057	6,923
Finance leases	20	20	27	27
Net interest on pension liabilities	3,050	3,050	775	775
	10,002	9,859	7,894	7,725

2.3 OTHER OPERATING EXPENDITURE

Academic fees and charges	13,626	13,626	12,240	12,240
Administrative and office costs	783	865	156	232
Foreign exchange gain/(loss)	58	58	(218)	(218)
External auditors remuneration for annual accounts audit	170	151	179	136
External auditors remuneration for other non-audit services	17	17	6	6
Books and periodicals	1,411	1,411	1,525	1,524
Management fees	7,595	7,595	4,604	4,604
Consultancy fees	15,820	16,730	9,286	9,978
Consumables and equipment	16,663	16,805	13,975	14,069
Marketing and publicity	3,468	3,505	3,218	3,261
Facilities costs	14,185	24,569	15,345	23,007
Rent, rates and insurance	1,634	2,116	4,644	5,138
Lease rentals	2,675	2,675	2,849	2,708
Scholarships, bursaries and prizes	18,012	18,012	15,220	15,220
Students' Union grant	1,664	1,664	1,352	1,352
Subscriptions, fees and charges	12,266	12,196	10,864	10,804
Training, travel and employment costs	17,691	17,705	8,634	8,649
Utilities and services	9,849	9,849	6,856	6,856
Other charges	36	(18)	1,260	1,260
	137,623	149,531	111,995	120,826

	YEAR ENDED 31 JULY 2023		YEAR ENDED 31 JULY 2022	
	CONSOLIDATED £'000	UNIVERSITY £'000	CONSOLIDATED £'000	UNIVERSITY £'000
2.4 ACCESS AND PARTICIPATION EXPENDITURE				
Access investment	1,862	1,862	1,732	1,732
Financial support provided to students	3,630	3,630	3,765	3,765
Support for disabled students	1,208	1,208	1,059	1,059
Research and evaluation expenditure	391	391	359	359
	7,091	7,091	6,915	6,915

The 2022/23 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 2022-23

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	Assets in the Course of construction £'000	Total £'000
COST AND VALUATION							
At 1 August 2022	52,521	441,278	15,549	38,706	47,852	8,128	604,034
Additions	849	1,679	1,821	14,778	4,987	15,356	39,470
Transfers	-	-	321	-	-	(321)	-
Asset write-down	-	-	-	-	-	(360)	(360)
Disposals	-	(9,165)	-	-	-	-	(9,165)
At 31 July 2023	53,370	433,792	17,691	53,484	52,839	22,803	633,979
DEPRECIATION							
At 1 August 2022	9,470	102,140	4,549	24,534	40,226	-	180,919
Depreciation charge	1,030	11,746	1,797	14,172	3,273	-	32,018
Disposals	-	(9,165)	-	-	-	-	(9,165)
At 31 July 2023	10,500	104,721	6,346	38,706	43,499	-	203,772
NET BOOK VALUE							
At 31 July 2023	42,870	329,071	11,345	14,778	9,340	22,803	430,207
At 31 July 2022	43,051	339,138	11,000	14,172	7,626	8,128	423,115

UNIVERSITY

	Freehold Land and Buildings £'000	Leasehold Land and Buildings £'000	Infrastructure £'000	Service Concession £'000	Fixtures Fittings and Equipment £'000	Assets in the Course of construction £'000	Total £'000
COST AND VALUATION							
At 1 August 2022	46,715	442,826	15,549	38,706	45,009	8,128	596,933
Additions	849	1,679	1,821	14,778	4,980	15,356	39,463
Transfers	-	-	321	-	-	(321)	-
Asset write-down	-	-	-	-	-	(360)	(360)
Disposals	-	(9,165)	-	-	-	-	(9,165)
At 31 July 2023	47,564	435,340	17,691	53,484	49,989	22,803	626,871
DEPRECIATION							
At 1 August 2022	7,371	102,654	4,549	24,534	38,410	-	177,518
Depreciation charge	1,030	11,542	1,797	14,172	3,201	-	31,742
Disposals	-	(9,165)	-	-	-	-	(9,165)
At 31 July 2023	8,401	105,031	6,346	38,706	41,611	-	200,095
NET BOOK VALUE							
At 31 July 2023	39,163	330,309	11,345	14,778	8,378	22,803	426,776
At 31 July 2022	39,344	340,172	11,000	14,172	6,599	8,128	419,415

FINANCIAL STATEMENTS 2022-23

NOTE 3 FIXED ASSETS (CONTINUED)

At 31 July 2023 freehold land and buildings included £11.5m (2022: £11.5m) in respect of freehold land which is not depreciated. The net book value of tangible fixed assets includes an amount of £263.3m (2022: £273.1m) of buildings held under finance leases. The depreciation charge on these assets for the year was £9.9m (2022: £11.5m).

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

	2023 £'000	2022 £'000
CONSOLIDATED AND UNIVERSITY		
Due in less than one year	55	55
Due between two and five years	124	179
	179	234

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.

In 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. During the initial 4-year construction period the University is required to nominate at least 75% of the available rooms each December for the following academic year. This commits the University to pay for these rooms. It is anticipated that student rents received will fully fund this obligation.

In December 2022 the University nominated rooms for use in the following academic year 2023/24. The University is no longer subject to the minimum 75% nomination requirement. As the construction period has completed, rooms in all buildings in the residential development are eligible for nomination and use in 2023/24.

SERVICE CONCESSION ARRANGEMENT ASSETS

The asset value of the service concession in the Balance Sheet as at 31 July 2023 is £14.8m (31 July 2022: £14.2m). The movement is a result of a depreciation charge of £14.2m for the year, and a service concession asset addition of £14.8m. The service concession asset addition represents the estimated rental value of the rooms nominated for use by the University over the 2023/24 academic year.

SERVICE CONCESSION ARRANGEMENT LIABILITIES

The total liabilities relating to the service concession included in the Balance Sheet as at 31 July 2023 were £14.8m (31 July 2022: £14.2m), 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 2023/24. The sum of £14.2m was repaid during the year, which related to the rent incurred on the rooms used by the University over the 2022/23 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	14,778	-	-	-
Finance charge	7	-	-	-
	14,785	-	-	-

FINANCIAL STATEMENTS 2022-23

NOTE 5 NON-CURRENT INVESTMENTS

CONSOLIDATED

	ASSOCIATE COMPANIES £'000	SUBSIDIARY COMPANIES £'000	OTHER FIXED ASSETS INVESTMENTS £'000	TOTAL £'000
At 1 August 2022	5,585	-	731	6,316
Repayment of subordinated debt	(113)	-	-	(113)
Loss in value	-	-	(71)	(71)
At 31 July 2023	5,472	-	660	6,132

UNIVERSITY

	£'000	£'000	£'000	£'000
At 1 August 2022	-	162	731	893
Loss in value	-	-	(71)	(71)
At 31 July 2023	-	162	660	822

The non-current investments have been valued at market value where available, otherwise at cost less impairment. The investment in the associate company relates to the introduction of additional share capital to enable it to fund the extension to its facilities plus the groups's share in the associates comprehensive income. Included in Consolidated Associate Companies is an amount of £5.6m relating to subordinated debt due from an associate entity East Slope Residences Student Accommodation LLP.

OTHER NON-CURRENT INVESTMENTS CONSIST OF:

	CONSOLIDATED AND UNIVERSITY	
	31 JULY 2023	31 JULY 2022
	£'000	£'000
Listed Securities		
Mercantile Investment Trust	274	249
Legal & General Industrial Property Investment Fund		
Feeder Unit Trust	253	343
Feedback PLC	43	49
	570	641
Unlisted Shares		
CVCP Properties	37	37
The New Statesman	1	1
Interanalysis Ltd	50	50
InCrowd	2	2
	90	90
Total	660	731

FINANCIAL STATEMENTS 2022-23

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 UH Ltd	Ord	100	100%	100	100	Property Development
Sussex UH Ltd	Pref	1,800,000	-	2	2	
Sussex UH Ltd	Ord	100	100%	100	100	Holding Company
USPAS Trustee Ltd	Ord	100	100%	100	100	Pension Corporate 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
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 Intermediateco 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 Intermediateco 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, 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.

Subsequent to year-end, Sussex Innovation Centre Development Ltd is in the process of winding up. The freehold land and buildings held within Sussex Innovation Centre Development Ltd will be transferred to the University and the proceeds used to pay down the intercompany loan and debtor balance. Ultimately the company will be wound down by the following year-end, with the investment in this company adjusted accordingly.

NOTE 6 TRADE AND OTHER RECEIVABLES

	YEAR ENDED 31 JULY 2023		YEAR ENDED 31 JULY 2022	
	CONSOLIDATED £'000	UNIVERSITY £'000	CONSOLIDATED £'000	UNIVERSITY £'000
Amounts falling due within one year:				
Debtors and prepayments	53,377	51,398	47,276	46,224
Research debtors	(4)	(4)	(4)	(4)
Amounts due from subsidiary companies	-	15,393	-	14,353
	53,373	66,787	47,272	60,573

Amounts due from subsidiary companies comprise Deed of Covenant payments £3,169,000, Intercompany balances £4,264,000 and Intercompany Loans £7,960,000

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NOTE 7 CURRENT INVESTMENTS

	YEAR ENDED 31 JULY 2023		YEAR ENDED 31 JULY 2022	
	CONSOLIDATED £'000	UNIVERSITY £'000	CONSOLIDATED £'000	UNIVERSITY £'000
Short term investment in shares	15,052	15,052	15,169	15,169
Short term deposits	207,914	207,914	250,446	250,446
	222,966	222,966	265,615	265,615

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 acquisition date. The interest rates for these deposits are fixed for the duration of the deposit at the time of placement.

At 31 July 2023 the average interest rate of these fixed deposits was 4.03% per annum and the remaining average period for which the interest rate is fixed on these deposits was 144 days. The fair value of these deposits was not materially different from the book value.

NOTE 8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	YEAR ENDED 31 JULY 2023		YEAR ENDED 31 JULY 2022	
	CONSOLIDATED £'000	UNIVERSITY £'000	CONSOLIDATED £'000	UNIVERSITY £'000
Mortgages and other loans	2,408	2,408	2,345	2,290
Service concession arrangement	14,778	14,778	14,172	14,172
Obligations under finance leases	39	39	32	32
Research Creditor	-	-	-	-
Creditors and accruals	93,979	90,962	101,144	91,835
Amounts due to subsidiaries	-	1,869	-	3,372
	111,204	110,056	117,693	111,701

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

	YEAR ENDED 31 JULY 2023		YEAR ENDED 31 JULY 2022	
	CONSOLIDATED £'000	UNIVERSITY £'000	CONSOLIDATED £'000	UNIVERSITY £'000
Service Concession Arrangement	-	-	-	-
Obligations under finance lease	104	104	178	178
Unsecured loans	169,467	169,467	171,918	171,918
Creditors and Accruals	17,166	16,850	17,702	17,218
	186,737	186,421	189,798	189,314

University Creditors and Accruals falling due after more than one year represents East Slope lease premium of £16,850k to be amortised over the remaining 49 years of the lease. In addition a further £316k related to deferred capital grants is included in the Consolidated figures

Analysis of loans:

	YEAR ENDED 31 JULY 2023		YEAR ENDED 31 JULY 2022	
	CONSOLIDATED £'000	UNIVERSITY £'000	CONSOLIDATED £'000	UNIVERSITY £'000
Due within one year or on demand (note 8)	2,408	2,408	2,345	2,290
Due between one and two years	2,461	2,461	2,373	2,373
Due between two and five years	7,780	7,780	7,518	7,518
Due in five years or more	159,226	159,226	162,027	162,027
Due after more than one year	169,467	169,467	171,918	171,918
Total secured and unsecured loans	171,875	171,875	174,263	174,208

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

Included in loans are the following:

LENDER	AMOUNT OUTSTANDING AT 31 JULY 2023 £'000	TERM	INTEREST RATE %	BORROWER
Lloyds	31,875	to 2034	5.815	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
	171,875			

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 2022	(96,957)	6,313	(90,644)	(886)	(91,530)
Utilised in year	3,115	2,126	5,241	837	6,078
Reduction/(Addition) in 2022/23	11,114	(2,126)	8,988	(1,609)	7,379
At 31 July 2023	(82,728)	6,313	(76,415)	(1,658)	(78,073)

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 2022	(96,957)	6,313	(90,644)	(886)	(91,530)
Utilised in year	3,115	2,126	5,241	837	6,078
Reduction/(Addition) in 2022/23	11,114	(2,126)	8,988	(117)	8,871
At 31 July 2023	(82,728)	6,313	(76,415)	(166)	(76,581)

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NOTE 10 PROVISIONS FOR LIABILITIES (CONTINUED)

USS DEFICIT

The obligation to fund the past deficit on the University's Superannuation Scheme (USS) arises from the contractual obligation with the pension scheme for total payments relating to benefits arising from past performance. Management have assessed future employees within the USS scheme and salary payment over the period of the contracted obligation in assessing the value of this provision.

Following the completion and agreement of the 2020 actuarial valuation, a new deficit recovery plan has been put in place. This new plan requires deficit payments of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate will increase to 6.3%. More detail is given in Note 17.

NOTE 11 ENDOWMENT RESERVES

Restricted net assets relating to endowments are as follows:

	Restricted permanent endowments £'000	Unrestricted permanent endowments £'000	Expendable endowments £'000	2023 Total £'000	2022 Total £'000
Opening balance at 1 August					
Capital 1 August	6,538	80	8,231	14,849	17,115
Accumulated income	424	20	-	444	810
	6,962	100	8,231	15,293	17,925
New endowments	2,477	-	30	2,507	(363)
Investment income	39	-	-	39	7
Expenditure	326	-	(1,671)	(1,345)	(302)
	2,842	-	(1,641)	1,201	(658)
Decrease in market value of investments	(45)	(1)	(71)	(117)	(1,974)
At 31 July	9,759	99	6,519	16,377	15,293
Represented by					
Capital	8,970	79	6,519	15,568	14,849
Accumulated income	789	20	-	809	444
	9,759	99	6,519	16,377	15,293
Analysis by type of purpose					
Lectureships	181	-	-	181	183
Scholarships and bursaries	1,694	-	863	2,557	2,651
Research support	5,601	-	1,309	6,910	4,038
Prize funds	834	-	159	993	987
General	1,449	99	4,188	5,736	7,434
	9,759	99	6,519	16,377	15,293
Analysis by asset					
Fixed assets				-	-
Current and non-current asset investments				15,052	15,169
Cash and cash equivalents				1,325	124
				16,377	15,293

FINANCIAL STATEMENTS 2022-23

NOTE 12 INVESTMENT IN JOINT VENTURE

BACKGROUND

The Brighton and 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 2023 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 2023**

	UNIVERSITY OF SUSSEX YEAR ENDED 31 JULY 2023 £'000	UNIVERSITY OF SUSSEX YEAR ENDED 31 JULY 2022 £'000
INCOME		
OfS Grant	4,398	3,459
NHS funds	8,714	7,599
Academic fees	6,107	5,501
Research grants and contracts	1,667	1,906
Other	853	407
Total income	21,739	18,872
EXPENDITURE		
Staff costs	10,896	10,180
Depreciation	174	194
Other operating expenses	9,807	7,726
Total expenditure	20,877	18,100
Surplus on continuing operations	862	772
Surplus brought forward for the year	8,625	7,853
Surplus retained for the year	9,487	8,625

BALANCE SHEET AS AT 31 JULY 2023

	UNIVERSITY OF SUSSEX YEAR ENDED 31 JULY 2023 £'000	UNIVERSITY OF SUSSEX YEAR ENDED 31 JULY 2022 £'000
Fixed assets	577	725
Current assets		
Debtors	1,749	1,563
Cash at banks and in hand	12,004	12,310
Current Liabilities		
Creditors	(4,843)	(5,973)
Net current assets	8,910	7,900
Total net assets	9,487	8,625
Represented by		
Income and expenditure account	9,487	8,625

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NOTE 13 CAPITAL AND OTHER COMMITMENTS

Provision has not been made for the following capital commitments at 31 July 2023:

	YEAR ENDED 31 JULY 2023 CONSOLIDATED £'000	YEAR ENDED 31 JULY 2022 CONSOLIDATED £'000
Commitments contracted for	28,704	15,423
Authorised, approved but not contracted for	52,849	17,642
	81,553	33,065

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 £2.3m.

	YEAR ENDED 31 JULY 2023 CONSOLIDATED Land and Buildings £'000	YEAR ENDED 31 JULY 2022 CONSOLIDATED Total £'000
Annual rentals under operating leases payable		
In one year	2,311	2,208
Two to five years	7,649	9,099
Five or more	-	-
Total lease payments due	9,960	11,307

NOTE 15 DEPARTMENT FOR EDUCATION TRAINING BURSARIES

	YEAR ENDED 31 JULY 2023 CONSOLIDATED £'000	YEAR ENDED 31 JULY 2022 CONSOLIDATED £'000
Balance owed to DfE at 1 August	947	852
DfE Grants	2,179	2,727
Disbursement to students	(1,863)	(2,583)
Other Disbursements	(792)	(106)
Difference on prior year actual DfE recovery amount	(185)	57
Balance owed to DfE at 31 July	286	947

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.

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 2023

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

- (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 is also a director and trustee for the Academy of Social Sciences. The University supported the Campaign for Social Science.
- (ii) Sussex Estates and Facilities LLP is a 65% subsidiary of Sussex UH Ltd and supplies facilities management services to the University.
- (iii) K Baker CBE, who was a member of Council, is a Non-Executive Director for The Pensions Regulator, to which the University pays a general levy. She is also an independent Audit Committee member for Clarion Housing, from whom the University has received tuition fee income as a student sponsor.
- (iv) 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.
- (v) R Martin, who is Chair of Council, was Company Secretary/ General Counsel for Vodafone Group plc (until 31st March 2023), as well as a Director for several companies within the wider group, a subsidiary of which, Vodafone Limited, the University pays for mobile phone contracts.
- (vi) 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.
- (vii) N Watson, who is a member of Council, is an Advisory Council Member for the University of California Berkley's AMENA Centre for Entrepreneurship and Development. The University receives income from the University of California Berkley for students on its international physics summer school programme.

SUMMARY OF RELATED PARTY TRANSACTIONS

	INCOME		EXPENDITURE		DEBTORS		CREDITORS	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Academy of Social Sciences	-	-	12	-	-	-	-	-
Clarion Housing	5	-	-	-	-	-	-	-
Department For Education	-	431	-	18	-	-	-	-
East Slope Residences Student Accomodation LLP	667	638	10,028	12,926	-	-	-	-
Institute of Development Studies	211	328	493	226	47	86	53	86
Nuffield Health	-	-	-	1	-	-	-	-
The Pensions Regulator	-	-	12	8	-	-	-	-
Sussex Estates and Facilities	24	21	23,852	24,120	-	3,371	1,755	3,371
UCEA	-	-	-	14	-	1	-	1
Universities UK	-	-	-	43	-	43	-	43
University of California - Berkley	915	89	-	-	-	-	-	-
University College London	-	73	-	133	-	8	-	8
University Hospitals Sussex NHS Foundation Trust	-	2,297	-	892	-	243	-	243
University of Sussex Student Union	127	94	1,717	1,261	13	-	2	-
Vodafone Limited	-	-	58	47	-	-	2	-
Wellcome Trust	-	90	-	-	-	-	-	-

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 2024 £'000	ACTUAL YEAR ENDED 2023 £'000	ACTUAL YEAR ENDED 2022 £'000
Contributions to USS	23,900	22,336	20,718
Contributions to USPAS	800	2,895	4,360
Contributions to USPSS	2,200	1,793	1,517
Other contributions	840	775	716
	27,740	27,799	27,311

(I) THE UNIVERSITIES SUPERANNUATION SCHEME (USS)

The institution 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 cost charged to the income and expenditure account is £8,108,000 (2022: cost charged £80,998,000).

Deficit recovery contributions due within one year for the institution are £6,411,000 (2022: contributions paid £6,658,000).

The latest available completed actuarial valuation of the Retirement Income Builder is at 31 March 2020 (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 2020 valuation was the sixth 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. At the valuation date, the value of the assets of the scheme was £66.5bn and the value of the scheme’s technical provisions was £80.6bn indicating a shortfall of £14.1bn and a funding ratio of 83%.

The key financial assumptions used in the 2020 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).

<i>CPI assumption</i>	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less: 1.1% p.a. to 2030, reducing linearly by 0.1% p.a. to a long-term difference of 0.1% p.a. from 2040
<i>Pension increases (subject to a floor of 0%)</i>	CPI assumption plus 0.05%
<i>Discount rate (forward rates)</i>	Fixed interest gilt yield curve plus: Pre-retirement: 2.75% p.a. Post retirement: 1.00% p.a.

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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 2020 actuarial valuation. The mortality assumptions used in these figures are as follows:

2020 VALUATION

MORTALITY BASE TABLE	101% of S2PMA "light" for males and 95% of S3PFA for females
FUTURE IMPROVEMENTS TO MORTALITY	CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. 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:

	2023	2022
MALES CURRENTLY AGED 65 (YEARS)	24.0	23.9
FEMALES CURRENTLY AGED 65 (YEARS)	25.6	25.5
MALES CURRENTLY AGED 45 (YEARS)	26.0	25.9
FEMALES CURRENTLY AGED 45 (YEARS)	27.4	27.3

A new deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate will increase to 6.3%. The 2023 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

Defined benefit liability numbers for the scheme have been produced using the following assumptions:

	2023	2022
DISCOUNT RATE	5.50%	3.40%
PENSIONABLE SALARY GROWTH	5.00%	3.00%

(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 2023 by a qualified independent actuary.

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NOTE 17 PENSION SCHEMES (CONTINUED)

ASSUMPTIONS

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

	AT 31 JULY 2023	AT 31 JULY 2022
	%PA	%PA
PRICE INFLATION (RPI)	3.10%	3.20%
PRICE INFLATION (CPI)	2.70%	2.80%
RATE OF INCREASE IN SALARIES 2022-23	-	2.80%
RATE OF INCREASE IN SALARIES THEREAFTER	2.70%	2.80%
RATE OF INCREASE OF PENSIONS IN PAYMENT FOR USPAS MEMBERS:		
POST 88 GMP	2.30%	2.30%
PRE 09 PENSION	2.70%	2.80%
POST 09 PENSION	2.30%	2.30%
RATE OF INCREASE FOR DEFERRED PENSIONERS (NON GMP):		
PRE 09 LEAVERS	2.70%	2.80%
POST 09 LEAVERS	3.10%	3.20%

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 2023	21.4	22.6	23.9	25.3
At 31 July 2022	21.9	23.2	24.3	25.7

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 VALUE AS AT		
	AT 31 JULY 2023 £M	AT 31 JULY 2022 £M	AT 31 JULY 2021 £M
EQUITIES	6,668	54,960	73,683
GOVERNMENT BONDS	42,092	31,870	32,703
CORPORATE BONDS	70,919	50,950	43,494
ANNUITIES	142	167	199
CASH	1,166	1,011	822
TOTAL	120,987	138,958	150,901

	YEAR ENDED 31 JULY 2023 £'000	YEAR ENDED 31 JULY 2022 £'000
ANALYSIS OF THE AMOUNT SHOWN IN THE BALANCE SHEET FOR USPAS:		
Scheme assets	120,987	138,958
Scheme liabilities	(109,023)	(132,645)
Scheme surplus not recognised	(5,651)	-
SURPLUS IN THE SCHEME - NET PENSION ASSET RECORDED WITHIN PENSION PROVISIONS	6,313	6,313
Current service cost	(658)	(1,037)
Total operating charge:	(658)	(1,037)
ANALYSIS OF THE AMOUNT CHARGED TO INTEREST PAYABLE/CREDITED TO OTHER FINANCE INCOME FOR USPAS PENSIONS		
Interest cost	4,675	2,250
Expected return on assets	(19,688)	(12,419)
Interest on net deficit	(4,428)	(2,475)
NET CREDIT TO OTHER FINANCE INCOME	(19,441)	(12,644)
TOTAL PROFIT AND LOSS CHARGE BEFORE DEDUCTION FOR TAX ANALYSIS OF OTHER COMPREHENSIVE INCOME FOR USPAS PENSIONS:		
Actual return on assets less interest	(19,688)	(12,419)
Actuarial gain on defined benefit obligation	23,213	32,468
Scheme surplus not recognised	(5,651)	-
TOTAL OTHER COMPREHENSIVE (LOSS)/INCOME BEFORE DEDUCTION FOR TAX	(2,126)	20,049

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NOTE 17 PENSION SCHEMES (CONTINUED)

	AT 31 JULY 2023 £'000	AT 31 JULY 2022 £'000
ANALYSIS OF MOVEMENT IN SURPLUS/(DEFICIT) FOR USPAS PENSIONS SURPLUS/(DEFICIT) AT BEGINNING OF YEAR	6,313	(16,456)
Contributions or benefits paid by the University	2,895	4,360
Current service cost	(658)	(1,037)
Other finance charge	(358)	(378)
Interest cost	247	(225)
(Loss)/Gain recognised in other comprehensive income	(2,126)	20,049
SURPLUS AT END OF YEAR	6,313	6,313
	YEAR TO 31 JULY 2023 £'000	YEAR TO 31 JULY 2022 £'000
ANALYSIS OF MOVEMENT IN THE PRESENT VALUE OF USPAS LIABILITIES AT THE START OF THE YEAR	(132,645)	(167,357)
Current service cost (net of member contributions)	(658)	(1,037)
Member contributions	(16)	(15)
Interest cost recorded within other comprehensive income	(4,428)	(2,475)
Actuarial gain	23,213	32,468
Actual benefit payments	5,511	5,771
PRESENT VALUE OF USPAS LIABILITIES AT THE END OF THE YEAR	(109,023)	(132,645)
	YEAR TO 31 JULY 2023 £'000	YEAR TO 31 JULY 2022 £'000
ANALYSIS OF MOVEMENT IN THE FAIR VALUE OF SCHEME ASSETS AT THE START OF THE YEAR	138,958	150,901
Expected return on assets	(19,688)	(12,419)
Admin expense	(358)	(378)
Interest income	4,675	2,250
Actual contributions paid by the University	2,895	4,360
Actual member contributions (including notional contributions)	16	15
Actual benefit payments	(5,511)	(5,771)
FAIR VALUE OF SCHEME ASSETS AT THE END OF THE YEAR	120,987	138,958

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 three 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 £17.2m. 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 2023.

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:

	2023 GROUP £'000	2023 UNIVERSITY £'000	2022 GROUP £'000	2022 UNIVERSITY £'000
FINANCIAL ASSETS				
Measured at fair value through income and expenditure				
Current asset investments	222,966	222,966	265,615	265,615
Debt instruments measured at amortised cost				
Long term loan receivable	-	-	-	-
Investments				
Non-current investments	6,132	822	6,316	893
Measured at undiscounted amount receivable				
Trade and other receivable	53,373	66,787	47,272	60,573
	282,471	290,575	319,203	327,081
Financial liabilities				
Measured at amortised cost				
Loans payable	171,875	171,874	174,263	174,208
Obligation under finance leases	143	143	210	210
Obligation under service concession arrangements	14,778	14,778	14,172	14,172
Measured at undiscounted amount receivable				
Trade and other creditors	93,979	92,831	101,144	95,207
	280,775	279,626	289,789	283,797

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.

NOTE 19 ANALYSIS OF NET DEBT

	AT 1 AUGUST 2022 £'000	CASH FLOWS £'000	OTHER NON-CASH CHANGES £'000	AT 31 JULY 2023 £'000
ANALYSIS OF CHANGES IN NET DEBT				
Cash and cash equivalents	37,837	38,843	-	76,680
Loans	(174,263)	12,401	(10,012)	(171,874)
Obligations under finance leases	(210)	87	(20)	(143)
Total	(136,636)	51,331	(10,032)	(95,337)

Net debt has decreased as a result of changes to the University Treasury strategy in light of the increased interest rates achievable on instant access cash reserves. Longer duration investments do not necessarily provide the best rate of return.



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 2023 £'000	CONSOLIDATED YEAR ENDED 31 JULY 2022 £'000	
Balance sheet Statement of changes in reserves	Statement of Financial Position – Net assets without donor restrictions	Income and expenditure reserve + Revaluation reserve + Capital reserve + Non- controlling interest		397,101	365,100
Balance sheet Statement of changes in reserves	Statement of Financial Position – Net assets with donor restrictions	I&E – endowment reserve		16,377	16,154
Note 16	Statement of Financial Position – Related party receivable and Related party note disclosure	Related party transactions in debtors	60		1404
Note 16	Statement of Financial Position – Related party receivable and Related party note disclosure	Related party transactions in debtors		60	1404
Note 3	Statement of Financial Position – Property, Plant and equipment, net	Net book value of Property, plant and equipment (excl. Service concession asset)	415,429		408,943
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		353,552	367,552
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	Property, plant and equipment – post implementation without outstanding debt for original purchase		39,074	33,358
Note 3	Note of the Financial Statements – Statement of Financial Position - Construction in progress	Construction in progress		22,803	8,033
Note 3	Statement of Financial Position - Lease right-of-use assets, net	Net book value of Service concession asset	14,778		14,172
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			14,778	14,172

FINANCIAL STATEMENTS 2022-23

REFERENCE	EXPENDABLE NET ASSETS (CONTINUED)		CONSOLIDATED YEAR ENDED 31 JULY 2023 £'000	CONSOLIDATED YEAR ENDED 31 JULY 2022 £'000
Balance sheet	Statement of Financial Position - Goodwill	Intangible assets	-	-
Balance sheet	Statement of Financial Position – Post-employment and pension liabilities	Pension provisions	76,415	90,644
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	171,875	174,263
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	171,875	174,263
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	14,778	14,172
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		14,778	14,172
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	16,377	16,154
REFERENCE	TOTAL EXPENSES AND LOSSES		CONSOLIDATED YEAR ENDED 31 JULY 2023 £'000	CONSOLIDATED YEAR ENDED 31 JULY 2022 £'000
Statement of comprehensive income	Statement of Activities – Total Operating Expenses (Total from Statement of Activities prior to adjustments)	Total expenditure	343,489	377,310

FINANCIAL STATEMENTS 2022-23

REFERENCE	TOTAL EXPENSES AND LOSSES		CONSOLIDATED YEAR ENDED 31 JULY 2023 £'000	CONSOLIDATED YEAR ENDED 31 JULY 2022 £'000	
Statement of comprehensive income	Statement of Activities – Non-Operating (Investment return appropriated for spending), Investments, net of annual spending 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 losses – (Total from Statement of Activities prior to adjustments)	Investment income + Gain on investments + Actuarial loss in respect of pension schemes		(4,180)	(12,975)
Statement of comprehensive income	Statement of Activities – (Investment return appropriated for spending) and Investments, net of annual spending, (loss)/gain	(Loss)/Gain on investments + Investment income		(6,306)	7,074
Statement of comprehensive income	Statement of Activities – Pension related changes other than periodic pension		-	-	
REFERENCE	MODIFIED NET ASSETS		CONSOLIDATED YEAR ENDED 31 JULY 2023 £'000	CONSOLIDATED YEAR ENDED 31 JULY 2022 £'000	
Balance Sheet	Statement of Financial Position – Net assets without donor restrictions	Income and expenditure reserve + Revaluation reserve + Capital reserve + Non-controlling interest		397,101	365,100
"Balance sheet Statement of changes in reserves"	Statement of Financial Position – total Net assets with donor restrictions	I&E – endowment reserve		16,377	16,154
Balance sheet	Statement of Financial Position – Goodwill	Intangible assets		-	-
Note 16	Statement of Financial Position – Related party receivable and Related party note disclosure	Related party transactions in debtors	60	1404	
Note 16	Statement of Financial Position – Related party receivable and Related party note disclosure	Related party transactions in debtors		60	1404
REFERENCE	MODIFIED ASSETS		CONSOLIDATED YEAR ENDED 31 JULY 2023 £'000	CONSOLIDATED YEAR ENDED 31 JULY 2022 £'000	
Balance sheet	Statement of Financial Position – Total Assets	Total Assets		789,492	780,275
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		-	-

FINANCIAL STATEMENTS 2022-23

REFERENCE	MODIFIED ASSETS (CONTINUED)		CONSOLIDATED YEAR ENDED 31 JULY 2023 £'000		CONSOLIDATED YEAR ENDED 31 JULY 2022 £'000	
Note 16	Statement of Financial Position – Related party receivable and Related party note disclosure	Related party transactions in debtors	60		1,404	
Note 16	Statement of Financial Position – Related party receivable and Related party note disclosure	Related party transactions in debtors		60		1,404
REFERENCE	NET INCOME RATIO		CONSOLIDATED YEAR ENDED 31 JULY 2023 £'000		CONSOLIDATED YEAR ENDED 31 JULY 2022 £'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		32,001		(20,360)
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		372,471		341,455



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