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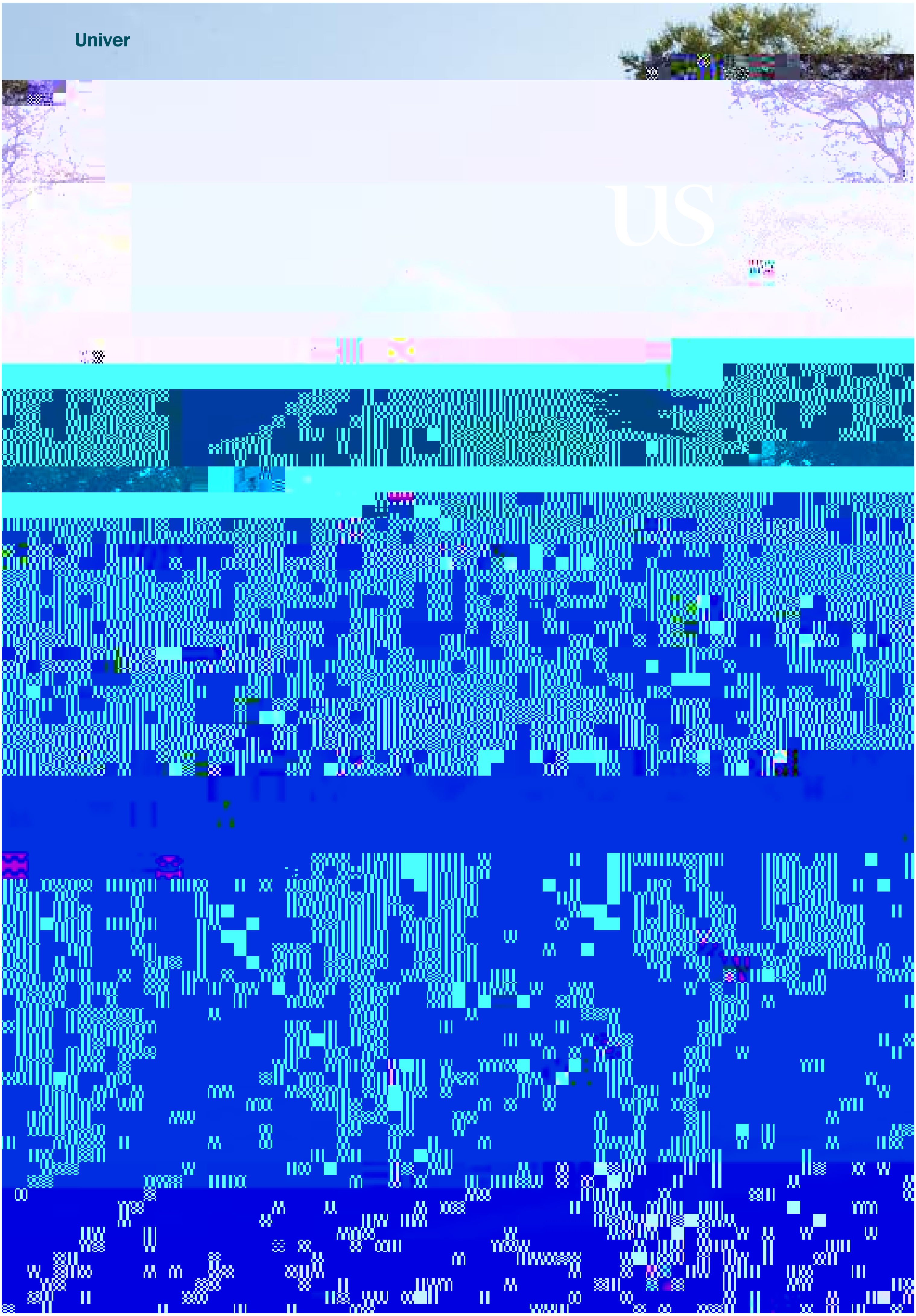

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The Financial Statements for the Group comprise the consolidated results of the University and its subsidiaries, which undertake activities that for legal, commercial or taxation reasons are more appropriately undertaken through a limited company. The principal trading subsidiaries consolidated in the accounts are: Sussex Innovation Centre Development Limited, Sussex Innovation Centre Management Limited, University of Sussex Intellectual Property Limited and ast Slope ousing Limited. In addition the University has a major share in the righton and Sussex Medical School SMS), which is accounted for as a joint venture according to Financial eporting Standard F S) 9.

This statement is drawn up in accordance with the ccounting Standards oard s " eporting Standard: perating and Financial eview and seeks to set the financial results in the context of the University s strategy and operations.

Strategy and context

The University is working towards a number of academic, financial and other objectives set out in the strategy *Making the future* published in 2009. This strategy sets out a vision for growth in uantity and uality of research and teaching learning, supported by investments in capital, IT and learning and research infrastructure and increasing financial and environmental sustainability. The University s growth is being achieved not by incremental improvement but by targeted and focused projects. The strategy is being successfully implemented, overall, with strong progress towards many targets well ahead of the 2015 horizon set in *Making the future*.

The greatest growth contribution to date has come from International Student activity. This is a growing market for the U as a whole and Sussex has played a part in expanding uality provision. ome U student numbers were still heavily regulated in 2010 11 and so offered little opportunity for significant growth. esearch, our other principal activity has also been constrained by the pressure on available public and private funds. These areas have grown but less strongly. ther critical targets such as recognition of student experience have also been met early. Given the strong progress made in a number of these areas and the increase in opportunities for growth afforded by announced and likely future U government policy changes, the University will be reviewing its strategy this year with the likely outcome that we will replace targets in many areas especially in student recruitment at all levels and origins) with still more ambitious ones.

The University Council s prime target for achieving financial sustainability is that, taking one year with another, we publish surpluses of 4 of turnover. This objective serves as a benchmark for evaluating plans and performance and is largely being met: the operational surplus excluding non-recurrent items has been in the range 3 million to 12 million in each of the last four years, only a little short of the average of 6- million re uired. 4 surplus was met in 2010 11 and has been met twice in the last four years. Setting aside exceptional staff costs in 2009 10, the objective would have been met three out of the last four years.

Council has also set borrowing policies for maximum level of borrowings and deployment between interest-only and amortising loans, and between fixed and floating interest rates) and capital investment targets which have been applied in full during the year. Council monitors performance of the institution through a number of ey Performance Indicators PIs) and risk measures at each meeting. ur PIs and risk measurement and mitigation are specifically aligned to the University s objectives as set out in *Making the future*. Performance is assessed against a balanced range of targets which include financial and non financial measures. Despite the difficult prevailing economic conditions, our long term focus remains unaltered and our specific objectives continue to be for grow [illegible]

The University s total income rose by 6. compared with the previous year.

ur strategy is for selective growth and diversification of our income base. Consolidation of the University s reputation for teaching excellence is key to this and to delivering our core activity. Total recurrent grants from funding councils again fell slightly due to the impact of public finance cuts to igher ducation. eal terms increases in income were achieved in esearch grants and contracts income and other operating income. The major component of growth in revenue came from a further large increase in International Student fee income, which grew by 36 over 2009 10.

ithin our cost base, pay unit costs increased as a result of nationally agreed cost of living rises, settled this year at 0.4), and the impact of incremental salary increases around 2). e have been implementing policy to increase the uality and functional suitability of our estate year on year as result, spend on non-capitalised property maintenance funds was higher than last year.

s noted above the bottom line resulting surplus is 11.3m compared to a position just over breakeven after exceptional staff costs in 2009 10.

Balance Sheet review

Capital investment

The University is currently in the third year of implementing a three year capital programme, comprising 120m of developments for the period to 2011 12. Projects have been carefully prioritised to support *Making the future*, addressing major academic, research and student services initiatives, while removing some of our poorer uality buildings and replacing them with new fit-for-purpose facilities. ur approach has been endorsed by the funding council through approval of our Capital Investment Fund ound 2 strategy submission.

Ta

arrangement for cost increase) will not be reviewed until 2013 14.

The net liability on the USP S self-administered trust scheme is held on our balance sheet. This would have increased but for the change in the fficials Pensions ct which replaces

h PI with CPI to set the 1 e

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To help

and progress routes for students from all backgrounds Making the future). s noted above, we have developed a comprehensive development and extension of existing programmes in our successful submission to FF which may also be found on the University s website) through proposals to reinvest additional fee income e uating to 6.5 million at 2010 11 prices) in a programme of widening access activities. These will cover a step change in engagement with local and regional educational providers, assistance for students while at Sussex and extensive support through targeted careers and placeibftdt[illegible]

	ote	2011 £'000	2010 000
Income			
Funding council grants	1.1	**56,619**	56,6 5
cademic fees and support grants	1.2	**57,066**	49,142
esearch grants and contracts	1.3	**31,337**	29,60
ther operating income	1.4	**31,361**	30,044
ndowment income and interest receivable	1.5	**734**	529
Total income: Group and share of joint ventures		**177,117**	165,99
Less: Share of joint ventures income	1	**(10,313)**	9,332)
Group income		**166, 04**	156,665
Expenditure			
Staff costs	2.1	**,923**	9,460
xceptional staff costs	2.5	**-**	5,0 9
Depreciation	2.4	**7**	39

	Note	2011 £'000	2010 000
Fixed assets			
Tangible assets	3	**1 4,969**	150,11[illegible]
Investments	4	**356**	322
Investment in joint venture:			
Share of gross assets	1	**7,37**	6,459
Share of gross liabilities	1	**(2, 16)**	2,1 [illegible]3)
Endowment investments	6	**6,503**	5,112
Current assets			
Stocks		**274**	2 9
Debtors		**13,310**	12, 53
Investments	11.5	**-**	2 ,556
Cash at bank and in hand	11.5	**402**	209
		13,9 6	40, 9
Creditors: amounts falling due within one year	[illegible]	**(44,5 3)**	4 ,605)
Net current liabilities		**(30,597)**	6, [illegible]0 [illegible]
Total assets less current liabilities		**165,793**	153,020
Creditors: amounts falling due after more than one year	9	**(47,440)**	4 [illegible]100)
TOTAL NET ASSETS excluding pension liability		**[illegible]**	

	Note	2011 000	2010 000
Fixed assets			
Tangible assets	3	**1 1,251**	146,262
Investment	4	**51**	4 4
Endowment investments	6	**6,503**	5,112
Current assets			
Stocks		**274**	261
Debtors		**17,212**	16,635
Investments	11.5	**-**	2 ,556
Cash at bank and in hand		**-**	1
		17,4 6	44,453
Creditors: amounts falling due within one year	[illegible]	**(44,703)**	4 ,969)
Net current liabilities		**(27,217)**	3,516)
Total assets less current liabilities		**161,055**	14 342
Creditors: amounts falling due after more than one year	9	**(45,746)**	46,293)
TOTAL NET ASSETS excluding pension liability		**115,309**	102,049
Pension liability	14	**(25,524)**	34,104)
TOTAL NET ASSETS including pension liability		**9,7 5**	6 ,945
Represented by:			
Deferred capital grants	10	**63,3 2**	61,509
Endowments			
Permanent	13	**3,449**	3,252
Expendable	13	**3,054**	[illegible]

	ote	2011	2010
		£'000	000
et cash inflow from operating activities	11.1	**16,363**	15, 5
eturns on investments and servicing of finance	11.2	**(2,962)**	3,1 0)
Capital expenditure and financial investment	11.3	**(37,374)**	14,013)
Cash outflow before use of li uid resources and financing	11.5	**(23,973)**	1,426)
Management of li uid resources		**27,556**	2 ,6)
Financing	11.4	**(6)**	1,456
Increase decrease) in cash		**2, 95**	256)

Reconciliation of Net Cash Flow to Movement in Net Funds

		2011	2010
		£'000	000
Increase decrease) in cash in the year		**2, 95**	256)
Decrease) increase in short-term deposits	11.5	**(27,556)**	2 ,6
ew finance ac uired	11.4	**-**	40,1 2) d2 m rv2

1. Basis of preparation

These financial statements have been prepared in accordance with the Statement of ecommended Practice S P): ccounting in Further and igher Education Institutions 200 and in accordance with applicable ccounting Standards. They conform to guidance published by the igher Education Funding Council.

In these financial statements the following new standard has been adopted for the first time: F S 30 eritage ssets. The implementation of F S 30 has had no material effect on these financial statements.

2. Basis of accounting

The financial statements are prepared under the historical cost convention modified for the valuation of Endowment sset Investments and Fixed sset Investments.

3. Basis of consolidation

The consolidated financial statements include the financial statements of the University and its subsidiary undertakings for the financial year to 31 uly 2011. These are Sussex Innovation Centre Development Limited, East Slope ousing Limited, University of Sussex Intellectual Property Limited and Sussex Innovation Centre Management Limited. The results of the Students Union are not consolidated because it is an independent association with separate control.

4. Recognition of income

Funding Council Grants are accounted for in the period to which they relate.

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

Research grants, contracts and other services rendered are accounted for on an accruals basis and included to the extent of the completion of the contract or service concerned any payments received in advance of such performance are recognised on the balance sheet as deferred income within creditors.

Capital

gains received within categories covered by Chapter 3 Part 11 Corporation Tax ct 2010 or Section 256 of the Taxation of Chargeable Gains ct 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The University is registered for and subject to T on its business activities. The University s charitable non business activities fall outside the scope of T. ny irrecoverable input T suffered on the ac uisition of goods and services forms part of the cost, charged to the income and expenditure account, of those goods and services and of the values attributed to assets and liabilities in the balance sheet.

The University s subsidiary companies are subject to taxes including corporation tax and T in the same way as any commercial org

12. Investments

Listed investments held as fixed assets or endowment assets are shown at market value. Investments in subsidiary undertakings are shown at the lower of cost or net realisable value, and investments in joint ventures are shown in the consolidated balance sheet at attributable share of net assets.

Current asset investments, which may include listed investments, are shown at the lower of cost and net realisable value.

13. Stocks

Stock is valued at the lower of cost and net realisable value.

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. The Institution has a planned 5 year rolling maintenance programme, which is reviewed on an annual basis.

15. Cash flows and liquid resources

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

Liquid resources comprise assets held as readily disposable store of value. They include term deposits, government securities and loan stock held as part of the Institutiok gebd

Notes to the Financial Statements

NOTE 1 Income

	2011	2010
1.1 Funding council grants	**£'000**	000
Recurrent grant		
FC grant	**49,059**	4 ,419
Training and Development gency For Schools TD)	**1, 15**	1,695
Specific grant		
ther	**3,336**	4,311
Deferred capital grants released in year		
uildings	**1, 7**	2,23
uipment	**531**	1,012
	56,619	56,6 5
1.2 Tuition fees and education contracts		
Full-time students: U	**2 ,660**	2 ,14
Full-time students: international	**24,261**	1 , 56
Part-time and other	**2,**	2,9 4
esearch training support grants	**220**	2
Short courses	**1,037**	1,1 2
	57,066	49,142
1.3 Research grants and contracts		
esearch councils	**16, 4**	16,369
U -based charities	**5,509**	4,3 1
uropean Commission	**3,657**	3,621
ther grants and contracts	**4,469**	4,441
eleases from deferred capital grants	**1**	05
	31,337	29,60
1.4 Other operating income		
esidences, catering and other operations	**1 ,137**	1 ,16
ther services rendered	**2, 55**	2, 45
ther income		
General academic services	**3,053**	3,3 3
S grants	**1,1 9**	1,145
Staff and student services	**961**	9
Central administrative	**3,443**	2,654
ther	**1,723**	1,9 1
	31,361	30,044
1.5 Endowment income and interest receivable		
Transferred from endowments ote 13)	**532**	302
Income from short-term investments	**202**	22
	734	529

2.4 Analysis of expenditure by activity	Staff costs	xceptional Staff Costs	Depreciation	ther operating expenses	Interest payable	**Total 2011**	Total 2010
	000	000	000	000	000	**£'000**	000
Schools	46,92	-	3,411	329	-	**5 ,667**	60,914
cademic services	5,9 2	-	1,644	5,2	- U	**12,903** ,xp	11,69
esearch grants contracts	11,361	-	943	10,359	- U,n	**22,663**	21,40

esidences, ncn2 l/vnfZbad nSf/hldgc/dl/lgc/ciel/Zdabn/bad nSfpn l/vnfZbad nSfzb/ f/hael/ucdad nSf 2 l/vnfZbad nSf/hldgc/dl/lg

NOTE 3 Tangible assets

Consolidated

	Total £'000	Freehold 000	Leasehold 000	ssets in course of construction 000	[illegible]uipment 000
Cost and valuation					
t 1 ugust 2010	**226,734**	22,132	15[illegible]2[illegible]	11,322	34,999
dditions at cost	**42,665**	-	[illegible]415	32,635	1,615
t 31 uly 2011	**269,399**	22,132	166,696	43,95	36,614
Depreciation					
t 1 ugust 2010	**76,616**	6,11	41,565	-	2[illegible]934
Charge for year	**7, 14**	4 5	5,044	-	2,295
t 31 uly 2011	**4,430**	6,592	46,609	-	31,229
Net book value at 31 July 2011	**1 4,969**	**15,540**	**120,0 7**	**43,957**	**5,3 5**
et book value at 31 uly 2010	150,11[illegible]	16,015	116, 16	11,322	6,065

University

	Total	Freehold	Leasehold	ssets in course of construction	[illegible]ui 2

NOTE CrediM1ke

mounts repayable in respect of bank loans outstanding at 31 uly 2011 may be analysed as follows:

Lender	ear loan obtained	ear of final repayment	Interest	Balance 2011 £'000	Balance 2010 £'000
University					
arclays ank	2009	2039	Fixed	**40,000**	40,000
S C	1996	2016	ariable	**1,250**	1,500
S C	1992	2012	ariable	**-**	4
S C	1991	2011	ariable	**7**	33
				41,257	41,5 0
Subsidiary company					
arclays ank	2004	2022	Fixed	**1, 0**	1,916
				43,065	43,496
Due within one year				**372**	432
Due between one and five years				**1,537**	1,512
Due in five years or more				**41,156**	41,552
				43,065	43,496

n 16 ugust the University drew down the first 10m of a 50m loan facility from Lloyds TS ank plc, a further 10m was drawn on 5 September 2011. This loan consists of 5m fixed for 10 years and 5m fixed for 5 years both of which have to be drawn by 3 ovember 2012 and [illegible]

NOTE 10 Deferred capital grants

	Consolidated 2011 £'000	University 2011 £'000
At 1 August 2010		
Land and buildings	5 ,950	5 ,365
[illegible]uipment	2,6 2	2,6 2
ther	462	462
Total	62,094	61,509
Cash receivable		
Land and buildings	4,400	4,400
[illegible]uipment	522	522
ther	-	-
Total	4,[illegible]	

NOTE 11 Notes to consolidated cash flow statement (continued)

11.2 Returns on investments and servicing of finance	2011	2010
	£'000	000
Income from endowments	143	134
Income from short-term investments	176	204
Interest paid	(3,2 1)	3,50 [illegible]
	(2,962)	3,1 0)

11.3 Capital expenditure and financial investment	2011	2010
	£'000	000
Tangible fixed assets ac uired other than leased e uipment)	(42,665)	25,444)
Fixed asset investments	(20)	50)
ndowment asset investments ac uired	(1,144)	161)
	(43, 29)	25,655)
Deferred capital grants received	4,922	11,313
ndowments received	1,533	329
	(37,374)	14,013)

11.4 Analysis of changes in consolidated financing during the year	Total	Finance leases	Mortgages loans/other	Preference share capital
	000	000	000	000
alance at 1 ugust 2010	50,596	5,29	43,49	1, [illegible]02
Capital repayments	6 [illegible]	25 [illegible]	430)	-
Balances at 31 July 2011	**49,90**	**5,039**	**43,067**	**1, 02**

11.5 Analysis of changes in net debt	At 1 August 2010	Cash flows	At 31 July 2011
	000	000	000
Cash at bank and in hand	209	193	402
verdraft	5,254)	2, 02	2,552)
	5,045)	2, [illegible]95	2,150)
Short term deposits	2 ,556	2 ,556)	-
Debt due within one year	690)	2 [illegible]	662)
Debt due after mm			

NOTE 12 Movement on reserves

	Consolidated 2011 £'000	University 2011 £'000	Consolidated 2010 000	University 2010 000
12.1 Income and expenditure account reserve				
t 1 ugust	**1,665**	**1,1 1**	535	2
Surplus retained for the year	**11,263**	**11,070**	263	3
ctuarial gain on pension scheme	**7,492**	**7,492**	6	6
At 31 July	**20,420**	**19,743**	1,665	1,1 1
Balance represented by				
Pension reserve	**(25,524)**	**(25,524)**	34,104)	34,104)
Income and expenditure account reserve excluding pension reserve	**45,944**	**45,267**	35, 69	35,2 5
At 31 July	**20,420**	**19,743**	1,665	1,1 1

	2011 £ 000	2010 000
12.2 Consolidated revaluation reserve		
t 1 ugust	**143**	105
Increase decrease) in the value of fixed asset investments	**14**	3
t 31 uly	**157**	143

	2011 £ 000	2010 000
12.3 Consolidated Capital reserve		
t 31 uly	**1, 02**	1, 02

The capital reserve balance of 1. 02m arises on consolidation of the University s subsidiary companies, Sussex Innovation Centre Developments Limited and Sussex Innovation Centre Management Limited, and relates to the ac uisition of 1. m and 0.002m respectively of preference shares nominal value) in the companies on the 31 uly 200 for a consideration of 2.

NOTE 13 Movement on endowments

	Permanent Restricted 000	Permanent Unrestricted 000	Permanent Total 000	Expendable Restricted 000	Total 000
t 1 ugust 2010					
Capital	2, 41	33	2, 4	1,299	4,1 3
ccumulated income	3 0		3	561	939
	3,211	41	3,252	1, 60	5,112
dditions	16)	-	16)	1,549	1,533
ppreciation of ndowment sset Investments	156	2	15	9	24
Income	1	1	2	61	143
xpenditure	2)	-	2)	505)	532)
At 31 July 2011	**3,405**	**44**	**3,449**	**3,054**	**6,503**
epresented by:					
Capital	2,9 1	35	3,016	2,925	5,941
ccumulated income	424	9	433	129	562
	3,405	**44**	**3,449**	**3,054**	**6,503**

NOTE 14 Pension schemes

The two principal pension schemes for the University s staff are the Universities Superannuation Scheme USS) and the University of Sussex Pension and ssurance Scheme USP S) . The 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. oth schemes provide benefits based on final pensionable salary. During the year the University opened its Group Stakeholder defined contribution scheme which will become more significant in future years.

USS

The institution participates in the Universities Superannuation Scheme, a defined benefit scheme contracted out of the State Second Pension S2P) . The assets of the scheme are held in a separate trustee-administered fund, Universities Superannuation Scheme Limited. ecause of the mutual nature of the scheme, the scheme s assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions employees and is unable to identify its share of the underlying assetshatua p uly atuch i aaatti to he csherio p uly

NOTE 14 Pension schemes (continued)

Use of these mortality tables reasonably reflects the actual USS experience but also provides an element of conservatism to allow for further small improvements in mortality rates. The assumed life expectations on retirement at age 65 are:

Males females) currently aged 65	22. 24. years
Males females) currently aged 45	24.0 25.9) years

t the valuation date, the market value of the assets of the scheme was 2 42.6m and the value of the value of the scheme s technical provisions was 2 135.3m leaving a surplus of 0 .3m. The assets therefore were sufficient to cover 103 of the benefits, which had accrued to members after allowing for expected future increases in earnings.

The actuary also valued the scheme on a number of other bases as at the valuation date. n the scheme s historic gilts basis, using a valuation rate of interest in respect of past service liabilities of 4.4 per annum the expected return on gilts) the funding level was approximately 1 . Under the Pension Protection Fund regulations introduced by the Pensions ct 2004 it was 10 funded on a buy out basis i.e. assuming the Scheme had discontinued on the valuation date) the assets would have been approximately 9 of the amount necessary to secure all the USS benefits with an insurance company and using F S1 formula as if USS was a single employer scheme, using a bond discount rate of 6.5 per annum based on spot yields, the actuary estimated that the funding level at 31 March 200 was 104 .

The technical provisions relate essentially to the past service the past service liabilities and funding levels, but it is also necessary to assess the ongoing cost of newly accruing benefits. The cost of future accrual was calculated using the same assumptions as those used to calculate the technical provisions except that the valuation rate of interest assumed asset outperformance over gilts of 1. per annum compared to 2 per annum for the technical provisions) giving a discount rate of 6.1 per annum also the allowance of promotional salary increases was not as high. nalysis has shown very variable levels of growth over and above general pay increases in recent years, and the salary growth assumption built into the cost of future accrual is based on more stable , historic, salary experience. owever when calculating the past service liabilities of the scheme, a cautionary reserve has been included, in addition, on account of the variability mentioned above.

The institution contribution rate re uired for future service benefits alone at the date of the valuation was 16 of pensionable salaries and the trustee company, on the advice of the actuary, agreed to increase the institution contribution rate to 16 of pensionable salaries from 1 ctober 2009.

Since 31 March 200 global investment markets have continued to fluctuate and as at 31 March 2011 the market s assessment of inflation has increased slightly. The government has also announced a change to the inflation measure used in determining the fficial Pensions Index from the etail Price Index to the Consumer Prices Index. The actuary has taken this all into account into his funding level as at 31 March 2011 by reducing the assumption for pension increases from 3.3 to 2.9 pa. The actuary estimated that the funding level as at 31 March 2011 funding under the scheme specific funding regime had fallen from 103 to 9 a deficit of circa 00 million) . ver the past the past 12 months, the funding level has improved from 91 as at 31 March 2010 to 9 . This estimate is based on the funding level at the 31 March 200 adjusted to reflect the fund s actual investment performance over the three years and changes in market conditions market conditions affect both the valuation rate of interest and also the inflation assumption which in turn impacts on the salary and pension increase assumptions) .

n the F S1 basis, using a bond discount rate of 5.5 per annum based on spot yields, the actuary estimated that the funding level at 31 March 2011 was 6 . n estimate of funding level measured on a buyout basis at that date was approximately 54 .

The next formal valuation is at 31 March 2011 and this will incorporate updated assumptions agreed by the Trustee Company.

NOTE 14 Pension schemes (continued)

Surpluses or deficits which arise at future valuations may impact on the University s future contribution commitment. deficit may re uire additional funding

NOTE 14 Pension schemes (continued)

	At 31 July 2011 £'000	t 31 uly 2010

NOTE 14 Pension schemes (continued)

Scheme assets

The weighted average asset allocation at the 31 uly 2011 was:

	At 31 July 2011	**At 31 July 2011 £'000**	t 31 uly 2010	t 31 uly 2010 000
uities	60.3	**44,236**	60.3	39,366
onds	19.0	**13,965**	19.[illegible]	12,933
Gilts	19.0	**13,964**	19.5	12, [illegible]6
Cash	1.	**1,101**	0.4	244
Total Market alue of ssets		**73,266**		65,329

To develop the expected long-term rate of return on assets assumption, the university considered the current level of expected returns on risk free investments primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the target asset allocation to develop the expected long-term rate of return on assets assumption for the portfolio. This resulted in the selection of the 5.90 assumption for the pension expense for the year ended 31 uly 2011 and the 6.10 assumption for the pension expense for the year ended 31 uly 2010.

	2011 £'000	2010 000
Actual return on plan assets	**7,744**	[illegible]410
Financial assumptions		
Discount rate	**5.20%**	5.50
Salary increases	**4.40%**	3. 0
ate of increases of pensions in payment - Pensioners		
PI capped at 6 pa	**N/A**	2. [illegible]0
PI capped at 3 pa	**N/A**	2.50
CPI capped at 6 pa	**2.20%**	-
CPI capped at 3 pa	**1.90%**	-
ate of increases of pensions in payment - on - pensioners		
PI capped at 6 pa	**N/A**	4.00
PI capped at 3 pa	**N/A**	2.90
CPI capped at 6 pa	**2. 0%**	-
CPI capped at 3 pa	**2.50%**	-
ate of increase for deferred pensioners p		

NOTE 14 Pension schemes (continued)

Five year history:	**2011**	2010	2009	200	200
	£'000	000	000	000	000
Benefit obligation	**9 ,790**	99,433	91,996	92,634	2,54
Fair value of scheme assets	**73,266**	65,329	5 ,24	5 ,194	60, 19
Deficit	**(25,524)**	34,104)	34, 4	35,440)	21, 29)
Experience Gains and (Losses) on Scheme Assets:					
mount 000)	**3,753**	4,5 5	4,129)	222)	1,141
Percentage of Scheme ssets	**5 %**		)	14)	2
Experience Gains and (Losses) on Scheme Liabilities:					
mount 000)	**10**	-	1,900	1,500	1,449
Percentage of the Present alue of Scheme Liabilities	**-**	-	2	2	2
Total amount recognised in the statement of total recognised gains and (losses):					
mount 000)	**7,492**	6	1,462	13, 60)	11, 90
Percentage of the Present alue of the Scheme Liabilities	**%**	1	2	16)	14

SGSS

Sussex Group Stakeholder Scheme SGSS) is a defined contribution scheme for newly 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.

The pension costs for the University and its subsidiaries were:	*Forecast 2012*	**2011**	2010
	£'000	**£'000**	000
Contributions to USS	*8,013*	**7,974**	, 62
Contributions to USP S	*3,322*	**3,24**	2,292
Contributions to SGSS	*167*	**166**	1 4
ther Contributions	*357*	**355**	31

NOTE 15 HEFCE Access funds

	2011	2010
	£'000	000
alance at 1 ugust	**4**	10
Funding Council Grants	**194**	226
Disbursed to Students	**(196)**	232)
alance unspent at 31 uly	**2**	4

Funding Council grants are solely for students the University acts only as a paying agent. The grants and related disbursements are therefore excluded from the Income and xpenditure ccount.

NOTE 17 Brighton and Sussex Medical School

	University	University	Joint venture

Explanatory notes

(i) Background

The righton Sussex Medical School SMS) is an e ual partnership between the Universities of Sussex and righton. owever it is agreed that the University of Sussex will be allocated 5 of the income and expenditure relating to ncology esearch.

In accordance with F S 9 transactions are reported under the definition of a joint venture .

ll revenue income received in respect of SMS by each University is held in a community chest , managed by the University of Sussex. Expenditure incurred by each university on behalf of SMS is reimbursed from the community chest.

(ii) Accounting arrangements

The income and expenditure of the SMS for the year ended 31 uly 2011 is reflected in the audited Financial Statements of both Universities as reflected in the table above. Each University has included its share of the gross assets and liabilities of the joint venture and its share of the turnover and surplus.

(iii) Cash at bank and in hand

The balance of 11.663m was held on behalf of the School at 31 uly 2[illegible]

NOTE 1 Capital commitments

	2011	2010
uthorised and contracted for at 31 uly	**£'000**	000
holly or partly funded from loans and consolidated reserves	**1 ,142**	20,[illegible]21
	1 ,142	20,[illegible]21

NOTE 19 Operating lease commitments

The University entered into an operating lease in September 200 on a new student residence comprising 450 rooms. The lease has a minimum term of 20 years with annual rentals of 1.4m.

	2011	2010
	£'000	000
nnual rentals under operating leases payable and expiring after 5 yrs	**1,400**	1,400

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