



The
University
Of
Sheffield.

To
Discover
And
Understand.



Our
Annual Report &
Financial Statements
2008–09.

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Vice-Chancellor's Introduction



Professor Keith Burnett
Vice-Chancellor

It is my pleasure to introduce the University of Sheffield Annual Report and Financial Statements 2008–09 – an exciting and challenging year of outstanding achievements in research and teaching across the faculties.

In December of 2008, the University received the much-anticipated results of the national Research Assessment Exercise, the peer review exercise to evaluate the quality of research in UK higher education institutions which informs the distribution of funds by the UK Higher Education funding bodies. I am delighted to say that seven years after the previous RAE, the University of Sheffield was among the top ten in the association of leading UK research-intensive universities, the Russell Group.

The results of the RAE confirmed our position as a world-leading university with an international reputation for research excellence across a wide range of disciplines. The quality, breadth and volume of research activity in Sheffield was further demonstrated by the fact that research carried out by 93 per cent of the University's academic staff submitted was internationally recognised and in many cases 'world-leading'. The University was also among one of only 10 universities in the country that submitted more than 40 units of assessment, with over 90 per cent of our eligible staff included in the RAE.

Each of the University's faculties has world-leading research. Information Studies, Politics and Town and Regional Planning came first amongst other UK Higher Education Institutions for the quality of their research. A further 11 subjects were ranked in the top five.

However, Sheffield's success in research was not at the expense of our emphasis on students and quality in teaching and learning. The National Student Survey (NSS) ranked Sheffield third amongst the Russell Group and many of our highest performing research departments also topped the NSS subject tables. The Quality Assurance Agency (QAA) audit has commended the University for its teaching and learning experience and student support systems – a process which has continued and strengthened over the past year in partnership with the Union of Students.

Our staff are taking on the great challenges of our time and making a real difference.

In particular we have focused on best practice by tutors, and the way we help students develop skills which will be of particular interest to employers. A formal record of employability, strengthened by outstanding volunteering and professional mentoring, is now bearing fruit at a time when graduates of all universities face harsh competition for good jobs as they begin their careers.

It would be impossible to cite all the outstanding work which has been carried out by staff and students at the University of Sheffield over the past year, but certain themes do stand out. Our staff are taking on the great challenges of our time and making a real difference, particularly in the area of climate change. From leading international partnership work on the Greenland ice sheet to research focusing on the development of alternative aviation fuels, Sheffield has been deeply involved in addressing vital environmental questions.

For example, Dr Andrew McGonigle from Geography was awarded the prestigious Rolex Award for Enterprise for his design of an unmanned, small-scale helicopter which helps safely and reliably predict volcanic eruptions weeks, even months in advance, potentially saving thousands of lives.

We are also making significant contributions to health and well-being. This year, the University opened a £12 million research centre which will lead UK research into Motor Neurone Disease, and other degenerative illnesses. We also opened the Mellanby Centre for Bone Research, named after the late Sir Edward Mellanby, Chair of Pharmacology at Sheffield in 1920. The Centre will study diseases ranging from osteoporosis and bone cancer in adults to brittle bone disease in children. It also complements work on health policy ranging from effective treatments for common dental problems in children

through to the impact of alcohol pricing on public health for both young and old.

2008–09 also saw exciting new developments on campus. In June, the Lord Mayor of Sheffield officially opened the new Jessop Development – a £33 million project comprising Jessop West, the restored Jessop building and the new rehearsal and recording studios for the Department of Music, the 'Soundhouse'. The area is now home to the departments of History, English and the School of Modern Languages and Linguistics, providing an exciting new hub for the Faculty of Arts opposite the Information Commons. Work began on the refurbishment of the Library to include much needed exhibition space. Away from the main campus, HRH the Duke of York opened the Rolls-Royce Factory of the Future, a new site for the highly successful Advanced Manufacturing Research Centre which continues to expand its activities on the Advanced Manufacturing Park to the vital benefit of the local and regional economy.

Of course, 2008–09 has been a year in which no Annual Report can afford to ignore wider economic realities. Recognising a projected deficit in our finances – a situation common to many UK universities such as ours – the University made the decision to take early preventative action to ensure our financial sustainability through a voluntary programme to reduce staff numbers.

This was very successful and, together with efficiencies in our use of energy and buildings, should enable us to address our financial challenges while continuing to focus on our primary areas of emphasis – our excellent research and outstanding student experience.

Our year ended with some farewells. The Registrar and Secretary Dr David Fletcher, retired after a decade of dedication to the highest standards amongst professional services at the University where he had himself been a student. He handed over the baton to Dr Philip Harvey who now ably supports me in guiding a large and diverse institution through challenging times, and who shares my commitment to quality. It was also with real sadness that we learned of the sudden loss of our colleague and friend, Professor Bob Boucher, who served as Vice-Chancellor from 2001 until his retirement in 2007. He is sorely missed.

And so we continue the work begun and continued by others who fervently believe in the value of what we do at the University of Sheffield. It is my pleasure to add the many achievements of the last year to an honourable record of educational excellence in Sheffield, and I look forward with confidence to continuing this into the future.

Professor Keith Burnett
Vice-Chancellor

Sheffield has been deeply involved in addressing vital environmental questions, from leading international partnership work on the Greenland ice sheet to research on the development of alternative aviation fuels.

Chairman's Foreword



Kathryn Riddle
Chairman

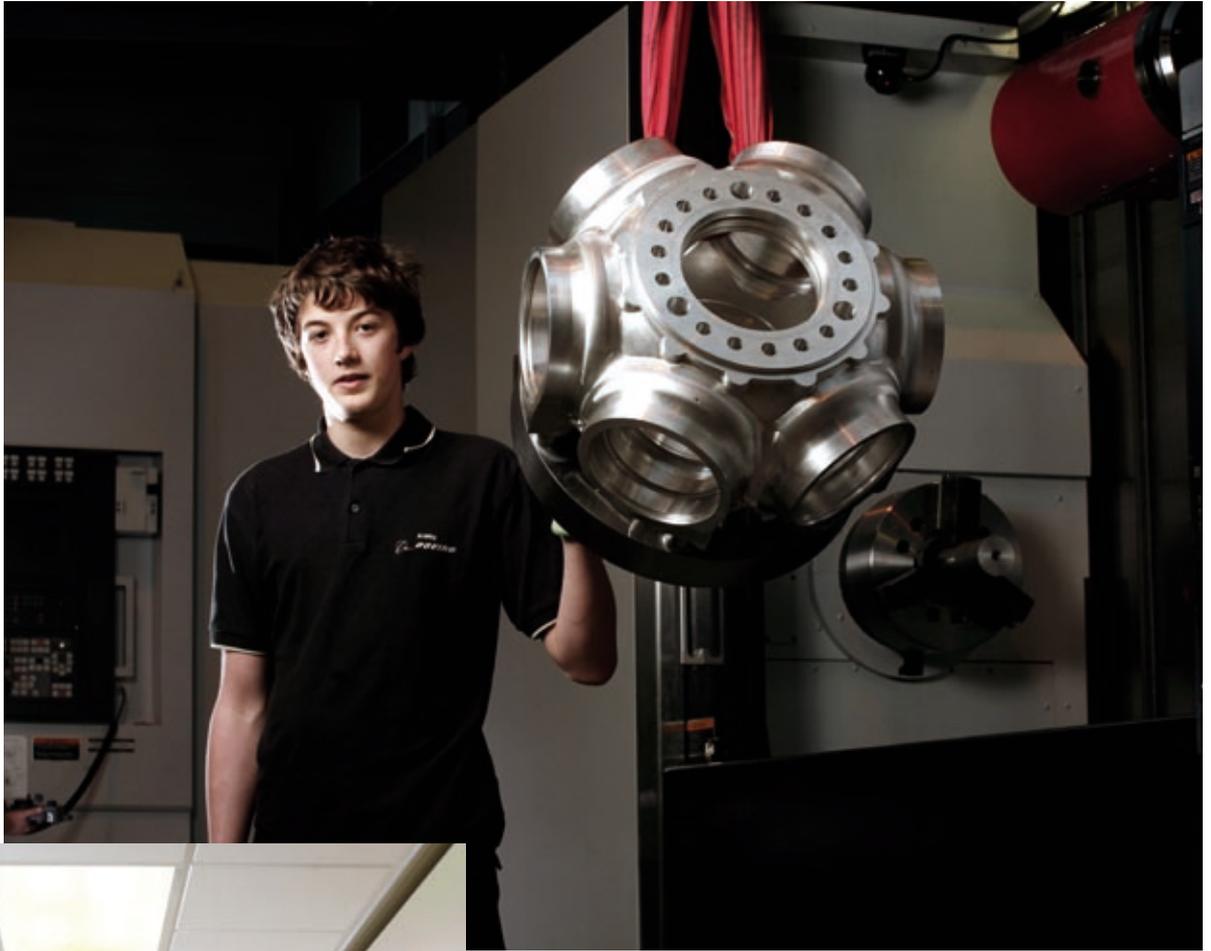
Over the past year, the University of Sheffield has once again proved its quality and international standing.

The Research Assessment Exercise confirmed world-leading academic excellence in each of our faculties, and several departments were ranked top in their subject area throughout the whole of the United Kingdom. The hard work of academic staff in the pursuit of knowledge and understanding also went hand-in-hand with teaching and learning, as student satisfaction ratings continued to be excellent.

However, this knowledge did not stop within the University. Our outstanding research is constantly being translated into real impact, both on the lives and well-being of people and in economic growth. The work of our medics and scientists has led to significant breakthroughs in the treatment of breast cancer, the care for the elderly and how we support those who are being cared for at home. Our scientists and social scientists have engaged with the most challenging environmental issues of the day, and this work will benefit not only our own generation but those to come.

To be part of this activity is an ongoing privilege. I have also been impressed to see how the University of Sheffield has responded positively and with vision to the wider economic challenges. Measures taken this year to reduce staff costs through voluntary means will, I have no doubt, place this University in a stronger financial position to protect the quality of research, learning and application of which we are all justifiably proud.

Kathryn Riddle
Chairman



Report of the Treasurer



Kim Staniforth
Treasurer

Financial highlights

- Total income of £403.3m.
- Income growth of 5.8%.
- Total expenditure of £402.8m before Voluntary Severance Scheme expenditure.
- Expenditure growth of 12.0%.
- Staff costs increase of 6.8%.
- Operating deficit of £10.2m.
- Voluntary Severance Scheme expenditure of £10.7m.
- Operating surplus of £0.5m before Voluntary Severance Scheme.
- Net impairment to the academic and administrative estate of £6.3m.
- Continued substantial capital investment of £32.6m.
- Continuing affirmation from Standard and Poor's of the University's long term credit rating of AA-/stable.

Financial Review

Income and Expenditure Account

The University group has an operating deficit of £10.2m (2007–08: £12.2m operating surplus) and a historic cost deficit of £2.8m (2007–08: £19.8m surplus). Total income has increased to £403.3m from £381.3m. Total expenditure has increased to £413.5m from £369.1m.

Included within the 2008–09 financial year results are two items of particular note, which influence comparatives. Firstly, included within other expenditure is £10.7m in relation to the Voluntary Severance Scheme payments to staff to be made in August and October 2009. In June 2009, a Voluntary Severance Scheme was introduced in order to help bridge a significant gap between the University's predicted expenditure and its income, during a time when public sector finances are under increasing pressure. The purpose of the scheme was to reduce staffing costs, as part of a wider strategic plan that also involves increasing income and reducing non-staff costs across the University. The full year benefit of the scheme will be to reduce the University's staff costs by approximately £13.4m in 2010–11.

Secondly, the valuation of the University's academic and administrative estate at 31 July 2009 led to a total valuation impairment of £16.5m which has been mitigated by the accelerated release of £10.2m from Deferred Capital Grants: £7.8m from Funding Council Grants and £2.4m from Other Income. This has led to a net impact of £6.3m upon the Income and Expenditure account. The national property and construction markets have seen downward pressures since the last valuation and this has had a bearing upon the valuation of the University estate. This will reduce future depreciation charges although this will be slightly offset by reduced deferred capital grant income.

Funding Council Grants have increased by £10.6m to £132.6m, although £7.8m of this is due to the accelerated deferred capital grants relating to the valuation. Excluding these accelerated grant releases, Funding Council Grant income has increased by 2.25%.

Tuition fees and education contracts have increased by £11.0m to £112.4m. This is the third year of the introduction of variable fees with most home undergraduates now paying the new fee levels and these have generated approximately £7.2m more fee income than in 2007–08. Overseas student numbers were also buoyant during the year leading to an increase in income from 2007–08 of £6.2m.

Research grants and contracts income has increased to £97.7m from £91.7m as the pipeline of increased awards translates into income received. In December 2008 the results of the Research Assessment Exercise 2008 (RAE 2008) were published and these inform the grant for research funding with effect from 2009–10. The University of Sheffield is among the top ten in the Russell Group, the association of leading UK research-intensive universities, according to the results of the RAE 2008.

Other operating income has decreased by 7.0% to £56.9m. This is partly due to a decrease in residential, catering and conference income which has arisen as the portfolio of properties has reduced, and also because other associated income is slightly lower. The portfolio of properties has reduced as part of the Residences Strategy which saw the ownership of most of the halls of residence transferred for 41 years to a third party in 2005–06. Services rendered and other income has also decreased during the financial year.

Staff costs comprise 53.7% of University expenditure and have increased by 6.8% during the financial year.

Income, expenditure & staff costs – % growth



Other operating expenditure has increased by 8.7% during the year from £127.0m to £138.1m. Within this increase is the Voluntary Severance Scheme expenditure of £10.7m. Excluding this expenditure, other operating expenditure has increased by just 0.3%.

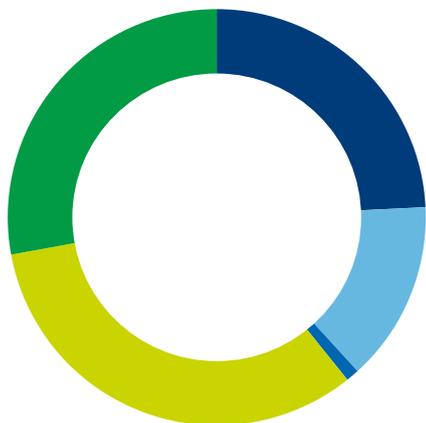
Depreciation for the financial year is £45.2m. This is comprised of the depreciation expense of £28.7m (2007–08: £26.9m) and the impairment of £16.5m. The impairment has been offset by £10.2m of accelerated deferred capital grant releases leaving a net impact of £6.3m.

Balance Sheet

The net assets of the University have decreased during the year by 5.0% from £426.4m to £405.3m. The main areas of change are current asset investments, creditors due in less than one year, provisions for liabilities and charges and the net pension liability:

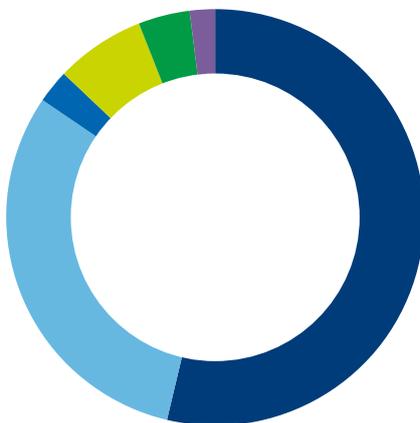
- Current asset investments have increased to £72.2m from £55.0m.
- Creditors due in less than one year have increased by £5.9m which is mainly due to increased income in advance combined with reduced trade creditors.
- The increase in provisions, liabilities and charges of £9.8m is primarily attributable to the provision for Voluntary Severance Scheme payments to staff on 31 August 2009 and 31 October 2009.
- The FRS17 accounting requirements resulted in the year end pension scheme deficit increasing by £22.6m to £73.9m, which is primarily due to changes in the actuarial assumptions used.

On 31 July 2009 an interim revaluation of the academic and administrative estate took place. The outcome is that after a write back of £56.0m depreciation there were increases in building valuations of



Income (£m)

Funding council grant	£132.6
Tuition fees & educational contracts	£112.4
Research grants & contracts	£97.7
Other income	£56.5
Endowment & investment income	£4.1



Expenditure (£m)

Staff costs	£222.1
Other operating expenses	£127.4
Depreciation	£28.7
Impairment	£16.5
Voluntary Severance Scheme	£10.7
Interest payable	£8.1

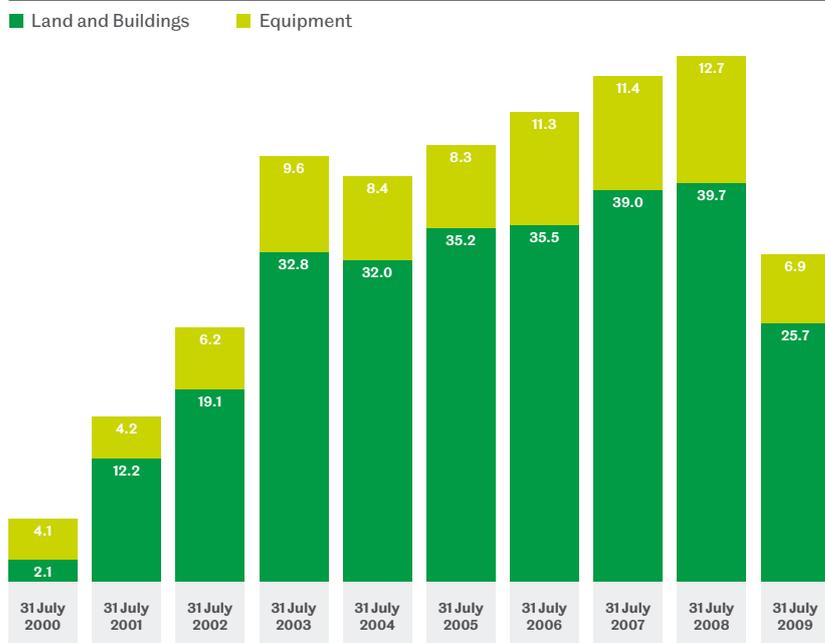
£10.8m whilst there were building valuation decreases of £64.9m, of which £48.5m was met by releases from the revaluation reserve. The previous valuation was performed in 2006 and property prices have decreased since this time. Future depreciation of the academic and administrative estate will decrease annually by approximately £2.5m following this revaluation.

The University has been monitoring its investments in light of recent stock market volatility and it has not been necessary to write any investments down to below cost.

Capital Programme

During the financial year there have been several major capital project completions. These include the Jessop West which has a value of £14.5m, the Jessop Victorian at a value of £4.5m, the Arthur Willis Environmental Centre at a value of £4.8m and the Soundhouse at a value of £1.8m.

Capital Expenditure (buildings and equipment)



Corporate Strategies And Objectives

Corporate Plan

Our Shared Vision is the University's plan for the future and it sets out the long-term direction towards ambitious goals, to ensure that the University:

- Remains world-class
- Enhances its reputation
- Raises its profile
- Further develops its already significant international standing by 2020.

The University is recognised as a leading international university that delivers learning, teaching, research and knowledge of the highest quality. However, the environment is changing fast, so the University intends to strengthen its competitive position by influencing and leading the way in both student and research markets, within a complex financial environment.

Our Shared Vision contains seven goals and the achievement of these will help the University to fulfil the aim of being firmly positioned amongst the world's leading universities and recognised for the impact, excellence and distinctiveness of its graduates and research activities.

- *The Achievement of Excellence*
The University will produce Sheffield Graduates who demonstrate impact, excellence and distinctiveness in their chosen field.
- *The Frontiers of Knowledge*
The University will be in the top five research universities in the UK based on peer assessment of our research performance.
- *The Impact of Innovation*
The University will achieve a high global impact through innovation and through applying our entrepreneurial skills in teaching and research.
- *The Power of People – Staff*
The staff of the University will be committed to excellence in all they do and have a strong sense of contribution and achievement.
- *The Power of People – Students*
The University will have a reputation for the highest standards of education and research skills to attract the best students.
- *The Sense of Belonging*
The University will actively contribute to the success and prosperity of the city and region through partnerships and support for local industry, commerce, public services, schools and colleges, the international quality of the staff attracted, and the impact of our staff's engagement with the city.
- *Delivering on our Promises*
The University stakeholders will trust the organisation to deliver on promises.

Risk Management Policy

The University's definition of risk is any event or uncertainty that may impede the organisation's ability to achieve its current or future objectives. During 2006–07 the University completed a review of its risk and opportunity policy and practices and has implemented the changes emerging from the review. The University has developed a Corporate Risk Register of the critical risks, an Operating Risk Register, and Departmental Risk Registers. A Risk Review Group has been established to oversee these tiers of risk and opportunity management. Council formally approved these on 11 June 2007 and further information is contained within the Corporate Governance Statement.

Financial Strategy

The Financial Strategy is "to provide a robust, solvent and sustainable financial position that supports the University's core activities and which facilitates the strategic planning, development and implementation of activities and decision making in all academic and support areas to achieve the University's vision".

This is facilitated through the following six objectives:

- Ensure that the University's Financial Strategy targets are met.
- Ensure that financial risks associated with all ongoing activities and new opportunities are managed in accordance with the University's stated risk policy.
- Ensure high standards of financial probity and accountability through robust financial processes and provision of professional financial services.
- Increase the income from sustainable, unrestricted sources.
- Ensure that the University is able to maintain and improve its facilities and infrastructure in order to sustain and increase its productive capability and its competitive position consistent with its corporate plan.
- Ensure that the financial consequences of activities are fully evaluated and embedded within corporate and departmental level planning and decision making and that this is supported by relevant and timely financial information.

The University ensures its long term financial sustainability through a framework of strategic targets that it has set for surplus generation, current ratio, liquidity and borrowing and other measures as outlined in the Sustainability Framework submitted to HEFCE in January 2006. This framework underpins the strategic decision making process from which the financial forecasts are produced.

In particular, the University is taking steps to ensure that its cost base and its income generation are consistent with achieving its strategic target of an operating surplus equivalent to 3% of turnover. These steps include further refinements to the resource allocation model used within the University to ensure that this appropriately reflects the University's ability to generate income at departmental level. This has also placed greater emphasis on the management of activity portfolios by departments to ensure that these operate in a financially sustainable manner.

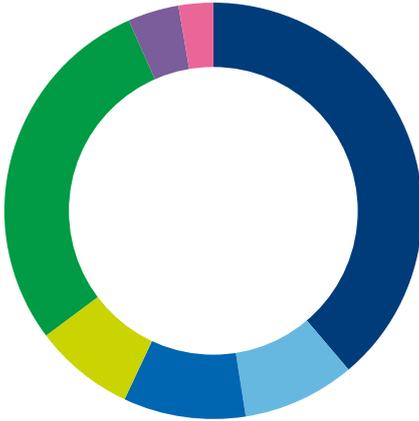
Estates Strategy

The University Estate has undergone large investment in recent years. A programme of further capital investment is underway to support the University in its drive to achieve its academic goals of world-class research, its vision of the 'Sheffield Graduate' and its contribution to regional development. A robust estates strategy is key to achieving these goals.

Current academic strategies include blended learning for the Learning and Teaching Strategy, collaboration and interdisciplinary activity in the Research Strategy and the development of facilities to encourage the transfer of knowledge between University and local businesses in the Regional Engagement Strategy.

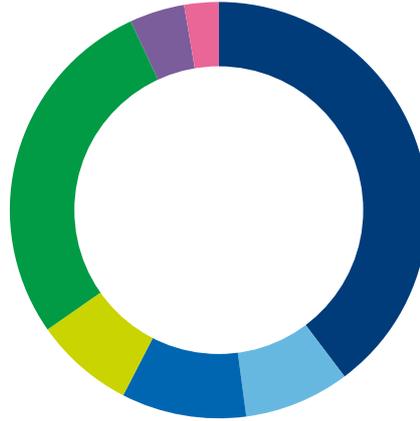
The Estates Strategy must address these strategies, but within the University's financial context. The University is pursuing the goal of financial sustainability, which requires a regime of funding for the estate that guarantees physical sustainability. There are a number of 1960s buildings, such as the Arts Tower, which remain a priority for maintenance in order for the University to continue to provide effective academic activity.

Staff Numbers (FTE)



Number of FTEs 2008

Academic departments	1,972
Academic services	443
Central admin and services	481
Premises	396
Research grants and contracts	1,453
Residences, catering and conferences	201
Staff and student facilities	136
Total	5,082



Number of FTEs 2009

Academic departments	2,027
Academic services	417
Central admin and services	493
Premises	394
Research grants and contracts	1,418
Residences, catering and conferences	217
Staff and student facilities	136
Total	5,102

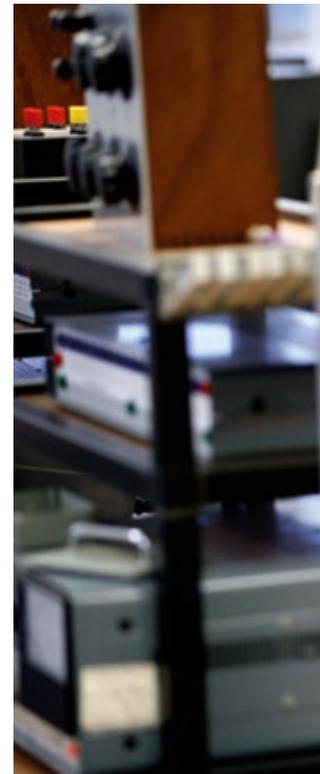
Environmental Policy

The University has developed an Environmental Policy that will be reviewed annually and made publicly available. The organisation recognises the challenge posed by climate change, and has set targets to reduce its carbon emissions and the environmental impact of its activities. The University is developing an environmental management system in order to be compliant with all relevant environmental legislation and regulations.

Human Resources Strategy

The University is one of Sheffield's largest employers. The University's Human Resources Strategy focuses on three key areas, each one supporting *Our Shared Vision*. These are: achieving excellence, strengthening leadership and management capabilities, and building a strong sense of community.

The organisation recognises and values the involvement of individuals in all their differing capacities right across the University. The University is creating an environment where every individual feels and acts as part of a larger whole, where they place the student experience at the centre of their activity, and where they are able to work together to innovate and focus on their key activities.



The University in the Community

The University Of Sheffield plays a large role in the community providing economic benefits to the city and many opportunities for the local community. Educational courses, public events and lectures are available to local residents and the University collaborates with schools and other agencies in the city.

Students and staff are active in contributing positively to the life of the city of Sheffield through volunteering and other community activities. The University is committed to building good community relations and ensuring that students are aware of their responsibilities in the neighbourhood.

Organisational Developments

2008–09 has been the first year of a new organisational structure based upon faculties. Five faculties have been formed under the leadership of five Faculty Pro-Vice-Chancellors and three University Pro-Vice-Chancellors who are responsible for learning and teaching, research, and external affairs. These Pro-Vice-Chancellors along with the Vice-Chancellor and senior representatives from Professional Services form the University Executive Board.

The University Executive Board has a clear connection with departmental operations, leading to better planning across the University, an improved understanding of budget choices and their consequences, greater agility to grasp opportunities and increase income, and better external representation.

Conclusion

2008–09 has seen continuing growth in the scope of operations and income, but there has also been downward pressure on income streams and continuing upward pressure on expenditure. The impact of the current economic climate can be seen in the downward valuation of the academic and administrative estate which has led to a net £6.3m adverse impact upon the Income and Expenditure Account. However, despite the economic climate the University has retained its AA-/stable rating from Standard and Poor's.

The University has taken steps this year to redress the imbalance between income and expenditure growth and in June 2009 announced the Voluntary Severance Scheme which should lead to staff cost savings in future years of approximately £13.4m by 2010–11. These will contribute to ensuring continued financial sustainability although additional strategies will also need to be developed in order to control costs and increase income in the medium term when the public finances will come under particular strain.

I would like to join with the University's senior management in thanking all the University employees for their engagement and commitment during the financial year.

Kim Staniforth
Treasurer



The University intends to strengthen its competitive position by influencing and leading the way in both student and research markets, within a complex financial environment.

Our student population

We remain a popular choice amongst all student groups across the range of study levels. In the 2008–09 application cycle, we saw substantial growth in our full time applications, both from UK and European Union students (home) and from non-EU (international) students.

For undergraduate courses, we received 34,120 applications. Of those, 29,629 were from UK/EU applicants and 4,491 were from international (outside of the EU) applicants.

At postgraduate level, we received 5,154 UK/EU applications for taught and research programmes, an increase of 20 per cent. International postgraduate applications grew once more, by almost 27 per cent in the past cycle; postgraduate taught overseas applications rose by 3,238 (+30 per cent) while postgraduate research overseas applications rose by 171 applications (+10 per cent). In total, we received 21,260 full-time applications for full-time postgraduate courses, an increase of 22 per cent from 2008.

We continue to see a marked success in our international student recruitment activity, in the light of increased recruitment targets and increased recruitment activity. The highest number of applications from full-time international students continued to originate from China, followed by India, Nigeria, Saudi Arabia and Pakistan in fifth place.

In 2008–09, the International Exchanges Unit continued to facilitate the opportunity for students to experience a global dimension to their academic and personal life. The number of formal agreements with partner universities across Europe under the Erasmus scheme rose to 194.

Links with partner institutions worldwide, in places such as Australia, Canada, the USA, Singapore, Hong Kong and Japan as part of our Study Abroad programme continued to flourish. In addition, we also managed to secure new partner institutions in Japan and Australia, including Tohoku University, Ritsumeikan University and The Australian National University.

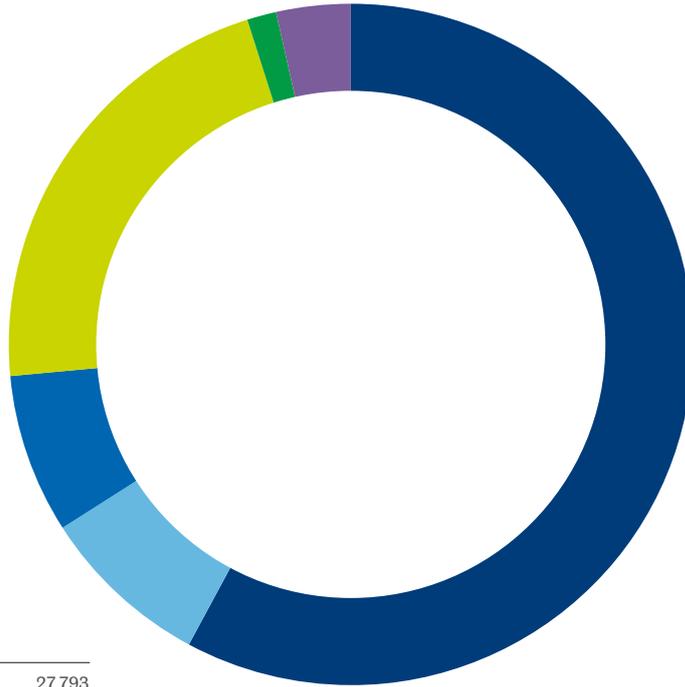
In order to promote the exchanges schemes among Sheffield students, the International Exchanges Unit organised the Study Abroad and Erasmus Fair in November 2008 which was attended by more than 350 students. The Unit also gave talks to Freshers, as part of Introduction Week, and was represented at all University-wide and several departmental Open Days.

In an attempt to embed the time abroad into the overall degree experience at Sheffield, we introduced an event for returning students which was run jointly with the Careers Service and an employer. The aim was to showcase how the skills acquired abroad can be translated upon graduation.



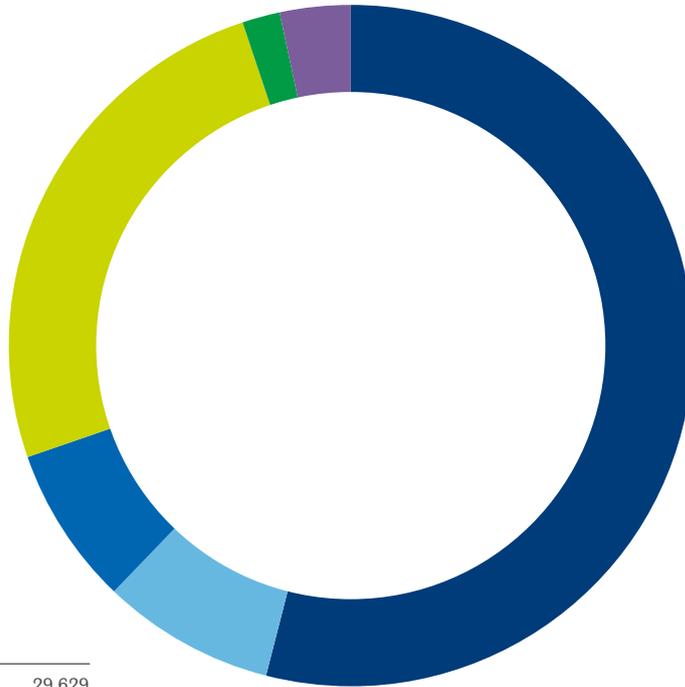


Total applications



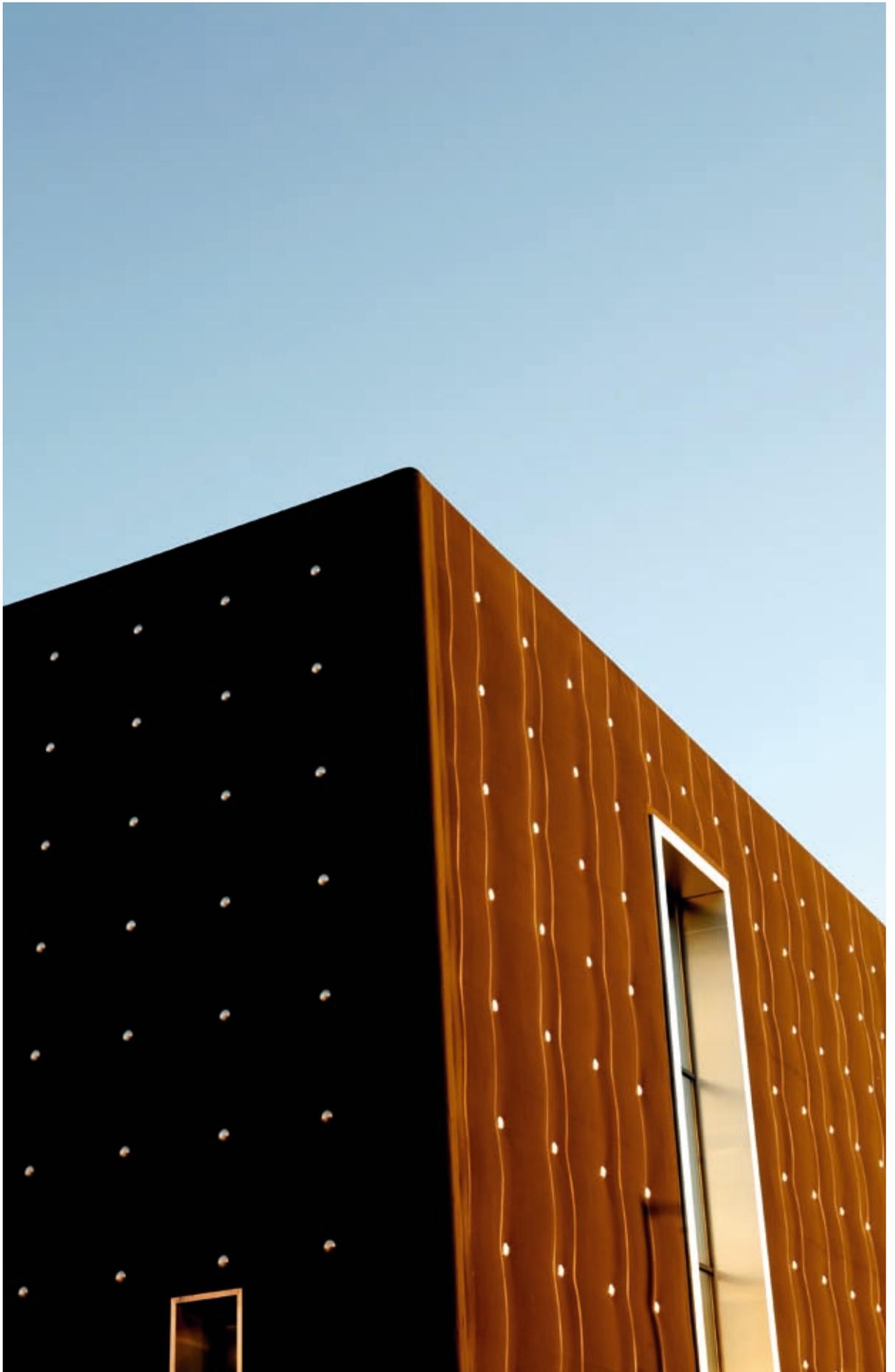
1 August 2007 — 31 July 2008
Total applications 48, 055

■ UG Home	27,793
■ UG Overseas	3,895
■ PGT Home	3,633
■ PGT Overseas	10,373
■ PGR Home	664
■ PGR Overseas	1,697



1 August 2008 — 31 July 2009
Total applications 54,882

■ UG Home	29,629
■ UG Overseas	4,491
■ PGT Home	4,129
■ PGT Overseas	13,821
■ PGR Home	980
■ PGR Overseas	1,832



Student numbers 2008–09

Full Time — Undergraduate

Faculty	Home/EC		Overseas		Total	
	Male	Female	Male	Female	Male	Female
Arts	987	1643	5	10	992	1653
Dentistry	174	256	3	10	177	266
Engineering	1164	217	475	126	1639	343
Medicine	518	927	36	45	554	972
Nursing	27	248	0	3	27	251
Pure Science	1499	1339	61	76	1560	1415
Social Sciences	2333	2428	168	251	2501	2679
Gender Totals	6702	7058	672	485	7450	7579
Total	13760		1157		15029	

Full Time — Postgraduate

Faculty	Home/EC		Overseas		Total		UG & PG
	Male	Female	Male	Female	Male	Female	Total
Arts	136	126	115	103	251	229	3125
Dentistry	8	9	9	29	17	38	498
Engineering	166	45	411	125	577	170	2729
Medicine	50	116	96	116	146	232	1904
Nursing	0	1	0	3	0	4	282
Pure Science	241	215	208	135	449	350	3774
Social Sciences	388	536	314	332	702	868	6750
Gender Totals	989	1048	1153	843	2142	1891	19062
Total	2037		1996		4033		

Additional Students

Modern Languages Students Abroad	156
Architecture Students In Office Practice	72
Students On Optional Year Outs	26
Erasmus And Year Abroad Students	573
Total	827

Part Time — Undergraduate

Faculty	Home/EC		Overseas		Total	
	Male	Female	Male	Female	Male	Female
Arts	4	11	0	0	4	11
Dentistry	0	0	0	0	0	0
Engineering	12	6	7	1	19	7
Medicine	1	3	0	0	1	3
Nursing	40	590	6	24	46	614
Pure Science	14	5	3	2	17	7
Social Sciences	440	636	3	8	443	644
Gender Totals	511	1251	19	35	530	1286
Total	1762		54		1816	

Part Time — Postgraduate

Faculty	Home/EC		Overseas		Total		UG & PG
	Male	Female	Male	Female	Male	Female	Total
Arts	63	80	2	9	65	89	169
Dentistry	23	2	0	1	23	3	26
Engineering	45	10	9	4	54	14	94
Medicine	71	111	25	16	96	127	227
Nursing	5	74	0	9	5	83	748
Pure Science	42	88	1	8	43	96	163
Social Sciences	192	446	66	143	258	589	1934
Gender Totals	441	811	103	190	544	1001	3361
Total	1252		293		1545		

Student numbers 2008–09

First year enrolments (F/T) — Undergraduate

Faculty	Home/EC		Overseas		Total	
	Male	Female	Male	Female	Male	Female
Arts	331	537	2	6	333	543
Dentistry	36	70	3	3	39	73
Engineering	365	69	198	51	563	120
Medicine	129	191	9	7	138	198
Nursing	0	0	0	0	0	0
Pure Science	459	466	30	25	489	491
Social Sciences	750	830	72	112	822	942
Gender Totals	2070	2163	314	204	2384	2367
Total	4233		518		4751	

First year enrolments (F/T) — Postgraduate

Faculty	Home/EC		Overseas		Total		UG & PG
	Male	Female	Male	Female	Male	Female	Total
Arts	93	88	97	84	190	172	169
Dentistry	4	5	4	16	8	21	26
Engineering	95	16	302	83	397	99	94
Medicine	26	66	71	81	97	147	227
Nursing	0	1	0	1	0	2	748
Pure Science	96	92	120	88	216	180	163
Social Sciences	324	397	254	272	578	669	906
Gender Totals	638	665	848	625	1486	1290	2333
Total	1303		1473		2776		

Classifications

First degree classifications awarded 2008–09

Faculty/School	1	2.1	2.2	3	Pass	Unclassified	Total
Faculty of Arts	117	568	117	2	2	2	808
Faculty of Engineering	140	192	94	12	19	0	457
Faculty of Science	191	415	157	18	22	1	804
Faculty of Social Sciences	136	873	388	29	148	0	1574
School of Nursing	30	95	90	9	19	0	243
School of Medicine	54	74	23	0	232	20	403
School of Dentistry	0	0	0	0	74	15	89
<i>Collegiate Studies</i>	<i>11</i>	<i>29</i>	<i>32</i>	<i>8</i>	<i>23</i>	<i>0</i>	<i>103</i>
Grand Total	679	2246	901	78	539	38	4481

Responsibility of	Diploma	Cert	Total
Faculty of Science	0	5	5
Faculty of Social Sciences	4	197	201
School of Nursing	319	0	319
<i>Collegiate Studies</i>	<i>0</i>	<i>1</i>	<i>1</i>
Grand Total	323	203	526

*Social Science Certificates includes 126 PGCE.

Undergraduate degree types awarded 2008–09

BA	1919	LLB	310	MENVSCI	1
BDS	61	MArch (UG)	55	MLA (UG)	22
BENG	181	MB,CHB	245	MMATH	17
BMEDSCI	386	MBIOLSCI	42	MPHYS	38
BMUS	35	MBIOMEDSCI	6	MPLAN (UG)	32
BSC	732	MCHEM	62	PG CERT	17
BSC/DIP	9	MCOMP	8		
DIP DEN	28	MENG	275	Grand Total	4481

Our Shared Vision

Making the vision a reality

Our Shared Vision maps out our long-term direction and goals which guarantee that, in an increasingly competitive environment, the University of Sheffield remains world-class, enhances its reputation and further develops its significant international standing.

Our mission:

Why we are here

Our University works to improve the world by seeking to understand it.

To Discover And Understand

During the year 2008-09, every section of the University continued to work towards making our vision a reality, and we have made impressive progress against the goals set in each area. Some of the many areas of excellence that demonstrate the significant progress made against our goals are showcased in this review.

Our vision:

Where we aspire to be

The University will be firmly positioned amongst the world's leading universities, recognised for the impact, excellence and distinctiveness of its graduates and research activities.

Our Shared Vision sets out our vision for 2020 in five key areas:

The Achievement of Excellence

The Frontiers of Knowledge

The Impact of Innovation

The Power of People

The Sense of Belonging



The Achievement of Excellence

The Sheffield Graduate

Our Sheffield Graduate initiative aims to ensure all of our students get the most out of their time with us. We provide opportunities for students to develop the attributes and qualities that will prepare them for further study, employment and engagement with the wider world.

This year a number of projects continued to develop well-rounded Sheffield Graduates. We have extended the services and opening hours of the Maths and Statistics Help Centre (MASH), produced an online Academic Skills Hub (TASH) and drawn up plans to provide a learning hub that will bring together a range of learning and skills development activities. A new website and promotional materials raised awareness of the expected attributes and how to develop them, and 11 partnership projects with academic departments furthered our programme of inclusive learning and teaching.

Now well established, the Sheffield Graduate Award continued to grow. Completed by over 200 students, the award is more widely recognised by employers, including Accenture, Atkins, DLA Piper, EF Education First, HSBC, PricewaterhouseCoopers, Rolls-Royce, Sheffield Chamber of Commerce and Industry, SIG, SOVA and Teach First.

The Senate Award for Excellence

This year's Award nominations once again represented a broad selection of staff ranging from promising new talents to senior professors. By recognising individuals and teams who have demonstrated excellence in teaching, the awards support and enhance our students' learning experience, encourage and promote good practice, and enhance the profile of teaching and learning as a scholarly activity.

Sustained Excellence

Dr Stephen Beck

Department of Mechanical Engineering

Dr Adrian Eley

Department of Infection and Immunity

Dr Simon Jones

Department of Chemistry

Dr Louise Robson

Department of Biomedical Science

Dr Anthony Rossiter

Department of Automatic Control and Systems Engineering

Rising Stars

Dr Garrett Brown

Department of Politics

Dr Cristina Gerulli

School of Architecture

Dr Tim Herrick

School of Education

Dr Robert McKay

School of English Literature, Language and Linguistics

Dr James Shaw

Department of History

Excellence in Collaboration

Dr Lili Chen and Dr Sarah

Dauncey School of East Asian Studies

Dr Eugenia Cheng and Dr Simon Willerton

School of Mathematics and Statistics

Excellence in Leadership

Professor Anne Peat Dean

School of Nursing and Midwifery

We will produce Sheffield graduates who demonstrate impact, excellence and distinctiveness in their chosen field.





The Frontiers of Knowledge

Rankings

The University is rated 8th in the UK, 25th in Europe, and 81st in the world in the annual academic ranking of the top 500 universities worldwide published in November 2009 by China's Shanghai Jiao Tong University. Researchers evaluated the universities using several research performance indicators, including the number of highly cited researchers, academic performance, articles in the periodicals Science and Nature, and the number of Nobel Prize winners.

The University is rated 82nd in the world in the 2009 Times Higher Education – QS World University Rankings. These rankings were derived using a combination of reputational surveys, staff:student ratios, the proportion of international staff and students, and research citations.

In the national rankings, Sheffield is rated 18th in the Times Good University Guide 2010, 30th in the Guardian University Guide 2010, 18th in the Sunday Times University Guide 2010 and 22nd in the Complete University Guide 2010 in association with the Independent.

In the 2009 National Student Survey (NSS), the University has again achieved 3rd place among the Russell Group universities (after Cambridge and Glasgow) for overall satisfaction, with 89 per cent of our final year students confirming that they were satisfied.

In four subject areas, Genetics, Molecular Biology, Biophysics and Biochemistry, Computer Science, and Theology and Religious Studies, students expressed 100 per cent satisfaction. Improvements in scores were achieved in four subjects, with Asian Studies in the School of East Asian Studies achieving a 27 per cent rise in overall satisfaction. Additionally, satisfaction with learning resources has risen significantly in most faculties.

We will be one of the top-five universities in the UK based on peer review assessment.



The Impact of Innovation

Promising treatment for breast cancer

A unique laboratory study investigated the effects of different treatment combinations on breast cancer. Funded by charity Breast Cancer Campaign, research at the School of Medicine and Biomedical Sciences studied the growth of established breast tumours following the introduction of chemotherapy agent doxorubicin and the bone-protecting drug zoledronic.

To find the most effective order in which to give them, the treatments were given alone, in sequence and in combination. The study, published in the *Journal of the National Cancer Institute*, showed that treating breast cancer using doxorubicin followed 24 hours later with zoledronic almost completely eliminated breast tumour growth.

Translating these results into clinical practice could lead to improved chances of survival for thousands of women currently undergoing breast cancer treatment, as the two drugs used in the study are relatively inexpensive and already used. A large clinical trial is currently underway, which will allow the researchers to confirm the laboratory findings.

Sheffield Institute for Translational Neuroscience (SITraN)

Construction started on a state-of-the-art £12m research institute, the Sheffield Institute for Translational Neuroscience, also known as SITraN. Dedicated to finding the causes of and cure for motor neurone disease (MND), the institute will bring together scientists and medical specialists from around the globe. It will become a world-leading centre for research into MND, as well as other neurodegenerative conditions such as Parkinson's, Alzheimer's, spinal muscular atrophy and multiple sclerosis.

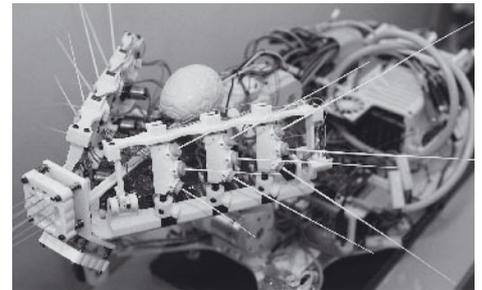
Designed by architects Bond Bryan, SITraN is being built off Glossop Road, near the Royal Hallamshire Hospital and behind Loch Fyne restaurant. Covering 2,800m² over two floors, the building will house research labs, offices and a library. It will incorporate several major sustainable features, including a green roof, and will feature natural materials to ensure it blends in with its conservation area setting.



Funding for the Institute has come partly from the University and partly from the Sheffield Institute Foundation for Motor Neurone Disease, which has raised over £9m and was formed to support the development of the facility. Professor Pamela Shaw, an international expert in MND and Head of Neuroscience in the School of Medicine and Biomedical Sciences, will lead the new Institute.

Touch-sensitive artificial whiskers

An EU-funded collaboration created the SCRATCHbot, an innovative robot rat that can seek out and identify objects using its whiskers. The robot was a significant milestone in the €6.5m pan-European ICEA project, which aims to develop biologically-inspired artificial intelligence systems. Professor Tony Prescott from the Department of Psychology worked with the Bristol Robotics Lab to design innovative artificial touch technologies for robots.



SCRATCHbot was inspired by animals that use touch rather than vision as their primary means of discovering the world. Rats are especially effective at exploring their environments using their whiskers; this new robot emulates their sophisticated touch technology, enabling it to function in spaces where vision is limited. Applications are many, from underground and undersea exploration to extremely dusty conditions or smoke-filled rooms, as well as potential use in the textile industry and domestic products.

Not only does the research develop useful new biomimetic technologies, but it will also contribute to our understanding of how the biological brain controls the movement of the sensory systems. Popular Science magazine named the SCRATCHbot one of the year's top 100 technological innovations in its 2009 Best of What's New list.

Showcasing entertainment traditions

Ida Barr's Variety Parade brought variety performance back to the Sheffield stage. The show was organised by Professor Vanessa Toulmin, director of our National Fairground Archive, in association with Sheffield Theatres and funded by the Higher Education Innovation Fund.



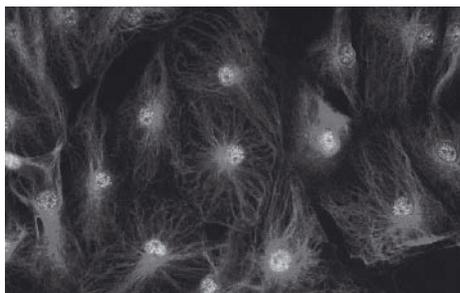
Featuring a host of international new variety and burlesque stars, including the saucy sword-swallowing Miss Behave, dancing champions The Sugar Dandies and magician Mark Raffles, the evening was hosted by Sheffield-born award-winning performer Chris Green. Proceeds from the event went to Sheffield Theatres' The Next Stage redevelopment programme that saw the refurbishment of the Crucible Theatre, and to the University's Alumni Scholarship Fund, which assists gifted students from the region.

Inspired by archived material and the history of entertainment, including sideshows, cabaret, street theatre, burlesque and magic, the Variety Parade formed part of Professor Toulmin's Admission All Classes season. This aims to delight, educate and entertain audiences by celebrating and showcasing artists who are continuing the traditions of the genre.

Pioneering stem cell research

A major breakthrough towards stem cell treatment for hearing loss was presented by University researchers at the UK National Stem Cell Network annual science conference in Oxford. A study funded by RNID and Deafness Research UK successfully isolated human stem cells; further work uncovered how these could be turned either into cells that behave like sensory hair cells or auditory neurons.

Such cells could potentially be used to restore hearing. The research also meant an experimental system to study genes and drugs in a human context was developed, which will help to advance the technologies needed to deliver stem cells to damaged tissue.



Although stem cell therapy for hearing loss is still some years away, this study highlighted the importance of stem cell research and gave a glimpse of exciting future possibilities. Work continues on the next stage of the research to find out if the cells can fulfil their promise and restore hearing.

Social segregation in Britain

Researchers from the Department of Geography's Social and Spatial Inequalities (SASI) group examined how the UK has changed socially over the past forty years. They found that Britain is more fragmented and segregated than ever.

Commissioned by the BBC, the study compared 45 radio regions over five key themes: inequalities, segregation, polarisation, fragmentation and disengagement. Analysis showed that British society has been slowly and steadily geographically segregating since the late 1960s. Compared to the mixed neighbourhoods of 1968, neighbourhoods now are far more socially distinct due to economic, social and political change.

Evidence from this study puts the Radio Stoke region as the least fragmented and Radio Derby the least segregated in the country, while Radio London topped the list as the most fragmented and the most segregated. The report's authors found that most neighbourhoods no longer have a stable cross-generational population, as today's young adults increasingly choose to live among others similar to themselves. This has given rise to the demographic segregation of young and old.

The Power of People

Our staff

There were 5746 people employed at the University on 31st July 2009, comprising the following categories of staff, *below*.

Staff benefits

Following on from last year's Pay Plus for pensions, we launched Pay Plus for childcare and Pay Plus for bikes. These are salary sacrifice schemes that enable staff and the University to reduce National Insurance contributions.

Our staff benefits package, myBenefits, rewards our staff and recognises their role in the University's success. It is regularly updated and improved, particularly the UOffers range of offers and discounts.

An exemplar employer

As an involved member of the academic community, we are committed to progressive working practices. In this vein, we signed up to the Athena SWAN Charter, which recognises and celebrates good employment practice for women working in science, engineering and technology (SET) in higher education and research. As a charter member, we are committed to the advancement of the careers of women in SET.

We again participated in the regular gender diversity benchmarking assessments organised by Opportunity Now, the UK's most extensive survey on gender equality and diversity in the workplace. In 2009 we were assessed as silver standard, which recognised the wide range of opportunities and support that our female employees can access. Our score was higher than average in most categories, and we received full marks for engagement with the workforce, integration of equality and diversity into systems, and workplace performance.

Opportunity Now, in partnership with the Government Equalities Office, chose the University as an exemplar employer for our innovative work to address occupational segregation, equal pay, and opportunities for women in the workplace. As such, we will share best practice with other exemplar employers, with the aim of addressing gender gaps in pay and opportunities in the UK.



Breakdown

■ Support staff	3216
■ Academic	1229
■ Professors	428
■ Senior Lecturers and Readers	413
■ Lecturers	388
■ Research	1040
■ Teaching	261

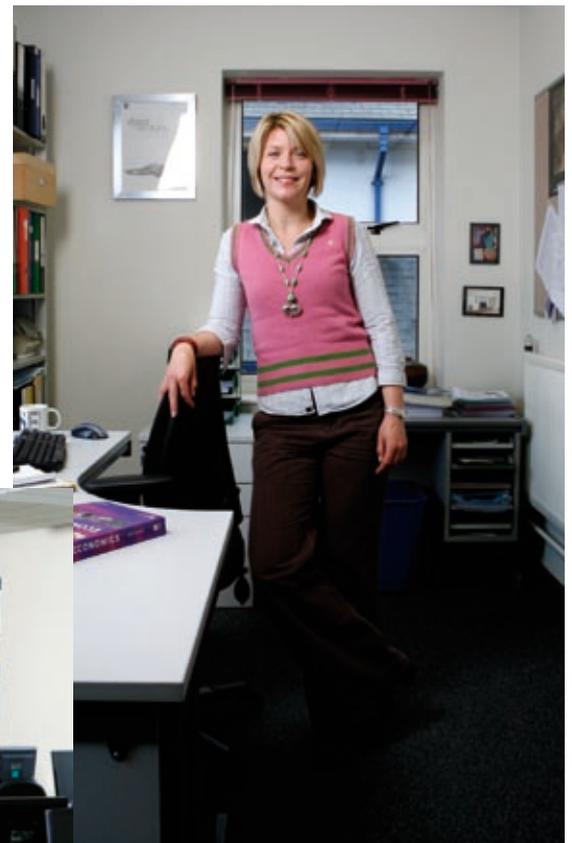
Focusing on staff well-being

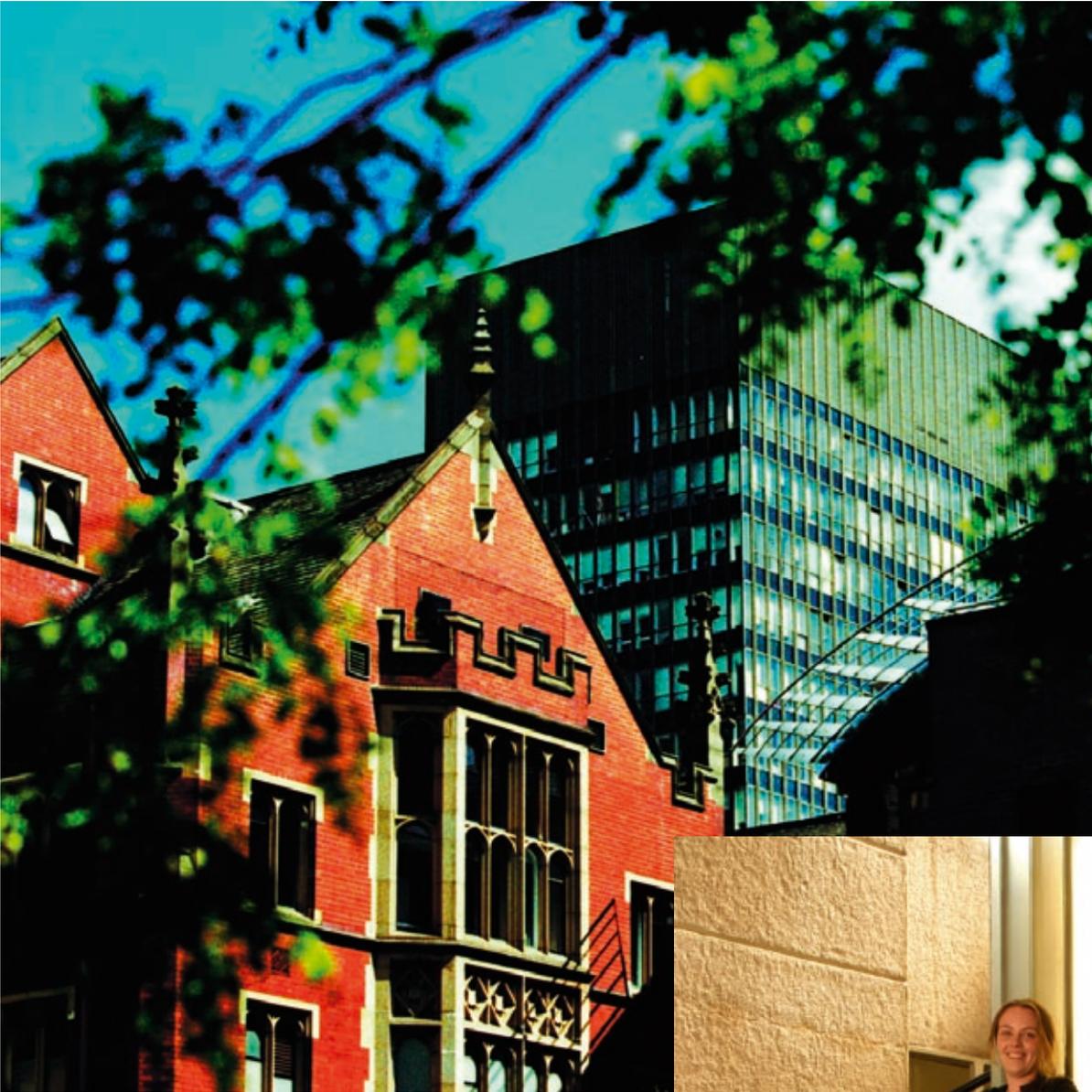
We have several projects that support our academic staff and aim to increase diversity. A practical six-month pilot mentoring programme encouraged and supported career development for female academics. Feedback was positive, so the programme is being repeated.

To ensure equal opportunities and remove stigma and discrimination surrounding mental ill-health, we held a valuable day of discussion, debate and information. The focus was on how best the University can support staff who have, manage or care for somebody suffering from mental ill-health.

Our WARP programme continued – £10,000 is available to academics and researchers returning to work after maternity leave, to cover teaching duties or support research activities. 61 women have participated to date, increasing by 11 per cent the retention rate of returning female academics who generate an estimated £6.2m in research income. With over £1.5m committed to this programme, it will continue to run until at least 2012.

We also support the progression of female academics with our Excellence through Inclusion Strategy. Discussions with our staff identified a number of issues that formed the Female Academics' Progression Action Plan, launched by the Vice-Chancellor in April 2009. As part of the plan and to mark the 50th anniversary of our first female professor, we held a summer series of events and development opportunities: Women@TUOS 2009. Events included a range of predominantly women-only development sessions, from Networking for Academics to Influencing Skills.





Our staff will be committed to excellence in all they do and have a strong sense of contribution and achievement.

Honours and awards for staff and students 2008–2009

Two scientists from the University were elected as Fellows of the Royal Society, the highest possible accolade for British scientists. Professor Neil Hunter and Professor Maurice Skolnick follow in the footsteps of renowned figures, such as Sir Isaac Newton and Charles Darwin, as Fellows of the 350-year-old scientific academy.

Professor Hunter, of the Department of Molecular Biology and Biotechnology received the honour for his work into the way bacteria and plants make chlorophylls and use these green pigments to harvest the energy of sunlight, the first step in the process of photosynthesis.

Professor Skolnick, from the Department of Physics and Astronomy, was recognised by the Society for his work into the way light interacts with electrons in carefully designed semiconductor nanostructures.

Enterprise award for volcanologist

Volcanologist and Senior Research Fellow Dr Andrew McGonigle of the Department of Geography received a prestigious Rolex Award for Enterprise for his AEROVOLC II. This innovative device will safely and reliably predict volcanic eruptions weeks or months in advance, an invention that could save thousands of lives.

Funds from the award will help to develop the unmanned, small-scale helicopter, designed specifically to measure the volcanic gases CO₂ and SO₂ in Etna and Stromboli in Italy. Operating at a much lower cost than previous eruption prediction efforts, the aircraft also eliminates the often deadly task of physically measuring volcanic gases.

Part of a mission to support innovation in science, exploration, conservation and the arts, the Rolex Awards for Enterprise fund projects that address pressing global needs, from climate change to wildlife preservation and help for impoverished communities. Dr McGonigle was one of five recipients of the \$100,000 (£67,000) funding for his project, awarded at a ceremony in Dubai.

Lifetime achievement award for professor

Professor Barry Hancock, from the School of Medicine and Biomedical Sciences, was awarded the Pfizer Excellence in Oncology Awards Lifetime Achievement Award in recognition of his contribution to cancer research. He was presented with the award at the 2008 National Cancer Research Institute (NCRI) Annual Conference, a leading forum for disseminating advances across all aspects of cancer research.

Qualifying top of his year in medicine at Sheffield in 1969, Professor Hancock stayed in the University to train in general medicine before becoming a lecturer in medicine and medical oncology in 1974. As his interest in oncology developed, he was promoted to senior lecturer and then reader, and in 1988 was appointed to our first Chair of Oncology.

Currently, Professor Hancock's other roles include Chairman of the NCRI Renal Clinical Studies Group, President of the International Society for the Study of Trophoblastic Disease, and Director of Yorkshire Cancer Research. He previously received the Sheffield Star Local Community Hero Award for health and lifetime achievement, and our Centenary Medal for outstanding achievement. Professor Hancock was also awarded an OBE in 2009's New Years Honours list for his work in oncology.

Women in Property award

Marie Reaveley, one of our Urban Studies and Planning students, won the Association of Women in Property National Student Award 2008. She received the accolade at the Best of Best Awards dinner, held at the prestigious Claridge's in London.

Launched in 2007, the Women in Property National Student Awards are open to second year female students studying a built environment course and are run in conjunction with the Construction Youth Trust. Marie's presentation of her coursework beat 38 of the most talented students from 23 universities across the country to claim the prize.

In addition to a crystal trophy, Marie won £1,500, access to Women in Property's mentoring scheme, and support in seeking a work placement. As a career springboard, she also received membership of the national association, whose 1,600 members and 12 regional branches represent all disciplines within the property and construction industry, providing a forum for business opportunities, networking and personal development.

Sheffield Students in Free Enterprise

A group of students came top of the SIFE (Students in Free Enterprise) European Symposium, giving them European recognition as community champions. SIFE is a group that aims to harness students' entrepreneurial and volunteering spirit to make a difference locally and around the world, through social and commercial projects.

The Sense of Belonging

Alumnus, author and honorary graduate funds scholarships

A new series of scholarships was generously funded by bestselling author and Sheffield alumnus, Lee Child. Worth £2,000 each, the 25 undergraduate and 27 postgraduate 'Jack Reacher' scholarships were awarded to talented students from each of our five faculties. The donation will give the students some financial assistance during their studies.

Law graduate Lee met his scholars at a reception hosted by fellow alumnus Dave Wickett, owner of Sheffield's Kelham Island Brewery and the Fat Cat pub. Jack Reacher Ale was specially brewed for the occasion, where the students swapped stories with Lee and thanked him for his support.

Named after Lee's famous fictional character, the Jack Reacher scholarships are the latest addition to our alumni-funded support programme. Individual donations from former students, current and former members of staff, parents and friends have meant that since 2003 more than 250 students have received scholarships to help them succeed.

Giving something back

We encourage our students and staff to be active and valued members of the local community. SheffieldVolunteering and RAG fundraising events are an opportunity to get involved and provided 183 organisations with volunteers, services or a financial donation.

This year, 1310 students and staff from 55 different departments worked with SheffieldVolunteering to support a variety of organisations. A further 220 students participated in Raising And Giving (RAG) fundraising events, raising over £117,000. Re-launched this year, RAG helps students to raise money for good causes and commits 85 per cent of funds to local or regional causes.

One such project was the city's Pledge for Success campaign. This aims to raise the attainments and aspirations of Sheffield's young people, a cause close to our heart. Over 250 students volunteered to encourage pupils to aim higher in 34 schools across the city.

Such hard work did not go unnoticed. Recognised for the sixth year in a row at the Higher Education Volunteering Awards, SheffieldVolunteering scooped the national title of 2009 Volunteering Team of the Year. Locally, student volunteers received an award from the High Sheriff of South Yorkshire – one of just two awards he gave out during his year in office – as well as an invite to visit with the Lord Mayor of Sheffield.

Raising aspirations in the region

Continuing our mission to widen access to higher education opportunities, we worked with around 20,000 local young people this year to raise their educational expectations. Along with contributing to the city's Pledge for Success campaign through student volunteer mentors, the University continued a varied programme of centrally managed outreach activities and numerous other initiatives led by academic departments.

We successfully expanded the Science and Engineering Champions Scheme. This relatively new initiative supports current science and engineering students to organise activities for teenagers in the area that encourage them to consider a science or engineering degree. Our current students are enthusiastic positive role models, and an inspiration for young people who may not otherwise come into contact with university students or graduates.

This year we have also reviewed our widening participation activity and have submitted our Widening Participation Strategic Assessment to HEFCE. This confirms our commitment to widening participation in the long term and highlights what we hope to achieve in the next three to five years.

We will actively contribute to the success and prosperity of the city and region through partnerships and support for local industry, commerce, public services, schools and colleges.

Our University at a glance

Officers and the Council

Officers of the University Session 2008–09

The Chancellor

Sir Peter Middleton

The Pro Chancellors

Mr P N Firth

Mr G H N Peel

Mrs K E Riddle

(Chairman of Council)

The Treasurer

Mr A M C Staniforth

The Vice-Chancellor

Professor K Burnett

The Cross Cutting

Pro-Vice-Chancellors

Professor R A L Jones

Research and Innovation

Professor D M Shellard

External Affairs

Professor P E White

Learning and Teaching

The Faculty Pro-Vice-Chancellors

Professor M Braddick

Arts and Humanities (Acting)

Professor M J Hounslow

Engineering

Professor A P Weetman

Medicine, Dentistry and Health

Professor A J Ryan

Science

Professor A J Payne

Social Sciences

Registrar and Secretary

Dr D E Fletcher

The Council of the University Session 2008–09

Ex-officio members

The Pro Chancellors

The Treasurer

The Vice-Chancellor

One Pro-Vice-Chancellor

Professor P E White

The Chairman of Convocation

Mr D C A Bradshaw

Persons appointed by the Council

Mrs V J Bayliss

Mr C A J Biggin

Mr T Pedder

Mr O G Stephenson

Mr R Tapp

Mr D Young

One Faculty Pro-Vice-Chancellor

appointed annually by the

Vice-Chancellor

Professor A P Weetman

Three members of the Senate

elected by the Senate

Professor D Hornby

Mr M J Lewis

Professor D G Shepherd

The President of the Union of Students

Mr D Hurst

One person who is not a
member of the academic or
academic-related staff

Mr M Shelton

Secretary to the Council

The Registrar and Secretary

Faculties and Departments

Arts and Humanities

Archaeology
Biblical Studies
School of English
French
Germanic Studies
Hispanic Studies
History
Modern Languages
and Linguistics
Music
Philosophy
Russian and Slavonic Studies

Engineering

Automatic Control and
Systems Engineering
Chemical and Process Engineering
Civil and Structural Engineering
Computer Science
Electronic and Electrical Engineering
Engineering Materials
Mechanical Engineering

Medicine, Dentistry and Health

Adult Dental Care
Clinical Dentistry
Human Communication Sciences
Nursing and Midwifery
Oral and Maxillofacial Medicine
and Surgery
Oral Health and Development
Oral Pathology
School of Health and Related Research
School of Medicine
and Biomedical Sciences

Science

Animal and Plant Sciences
School of Mathematics and Statistics
Biomedical Science
Chemistry
Molecular Biology and Biotechnology
Physics and Astronomy
Psychology

Social Sciences

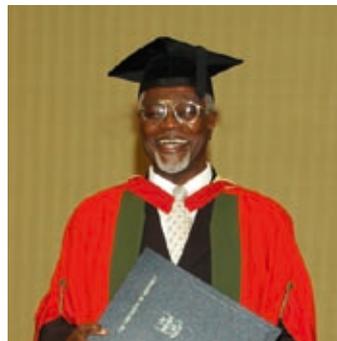
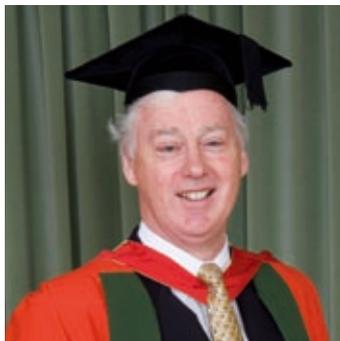
Architecture
East Asian Studies
Economics
Education
Geography
History
Information Studies
Journalism Studies
Landscape
Law
Lifelong Learning
Management
Politics
Sociological Studies
Town and Regional Planning

Honorary Graduates

2008–09

From left to right —

Dr Nicholas Liverpool
Professor Janet Hemingway
Sir Stephen Gomersall
Professor Gordon Rohlehr



Professor Gordon Rohlehr

DOCTOR OF LETTERS

Based in Trinidad, he has an international reputation for ground-breaking work on Caribbean literature and culture, and is the world's leading authority on calypso.

Gregor Williams

DOCTOR OF LETTERS

Inspirational St Lucian who has enhanced the lives of the people of the island through his innovative work in conservation, cultural heritage and education.

Professor Bob Boucher

DOCTOR OF ENGINEERING

Visionary academic leader who was the University's Vice-Chancellor from 2001 until 2007. He oversaw a series of projects and major investment that transformed the campus. Professor Boucher passed away in March 2009 and will be sadly missed.

Sir Stephen Gomersall

DOCTOR OF LETTERS

Distinguished diplomat who has played a key role in promoting the country's long-term overseas interests, born in Yorkshire and a Sheffield graduate in Japanese.

Professor Janet Hemingway

DOCTOR OF SCIENCE

A Sheffield genetics graduate, honoured for her outstanding contributions to tackling some of the world's most debilitating and distressing microbial diseases.

Lee Child

DOCTOR OF LETTERS

Crime-thriller writer renowned for his compelling plots and mesmerising characters who studied law at Sheffield.

Gordon Bridge

DOCTOR OF LETTERS

Master Cutler since 2007. Born and educated in Sheffield, he has made substantial contributions to local industry and enjoyed a highly successful career with three leading local firms.

Professor Sir Ian Kershaw

DOCTOR OF LETTERS

Former Professor of Modern History at the University and the world's foremost authority on Hitler's role in the Third Reich, he has done much to raise the profile of history through the medium of television.

Michael Lewis

DOCTOR OF LETTERS

Headteacher of King Edward VII School 1988–2008, recognised for his strong leadership, for developing the school's national reputation, and for maximising educational opportunities available to diverse social backgrounds.

Rt Reverend Jack Nicholls

DOCTOR OF LETTERS

Sixth Bishop of Sheffield from 1997 until his retirement in 2008, during which time he has been involved in a great number of projects that benefit the local community.

Professor Sir Bruce Keogh

DOCTOR OF MEDICINE

Sheffield graduate, now one of the country's most eminent heart surgeons and NHS Medical Director for the Department of Health.

Professor Sir John Savill

DOCTOR OF MEDICINE

Sheffield graduate now internationally acclaimed for research that has helped provide treatments for inflammatory diseases in the human body.

Professor Gillian Bates

DOCTOR OF SCIENCE

A leading authority on the molecular biology of Huntington's disease. A Sheffield graduate, her work has contributed to the successful cloning of the HD gene.

Emeritus Professor Freda Briggs

DOCTOR OF LETTERS

Sheffield graduate, renowned for her work on child protection through her role as an educator, author, scholar and ambassador.

His Excellency Dr Nicholas Liverpool

DOCTOR OF LAWS

President of the Commonwealth of Dominica and Sheffield graduate.

Professor Sir Anthony Bottoms

DOCTOR OF LETTERS

One of the world's most distinguished criminologists. This Sheffield graduate is recognised for contributions to the field, including establishing the University's Centre for Criminological Studies.

Barton Moenster

DOCTOR OF ENGINEERING

Chairman of the University's Advanced Manufacturing Research Centre (AMRC), honoured for helping the Centre achieve its flagship status.

Staffing Matters

Appointments to Chairs – 1 August 2008 to 31 July 2009

Professor Xiaowei Zang

East Asian Studies
Chair in Chinese Studies

Professor Lilian Edwards

Law
Chair in Law

Professor Gail Mountain

SchARR
Chair in Health Services Research

Appointments to Senior Posts

Ms Valerie Cotter

Faculty of Arts and Humanities
Director of Faculty Operations

Ms Susan Bridgeford

*Faculty of Medicine,
Dentistry and Health*
Director of Faculty Operations

Promotion to Chairs

Dr John Parker

Engineering Materials
Professor in Glass Science
& Engineering

Dr Rachel Falconer

School of English
Professor

Dr Paul Halstead

Archaeology
Professor of Archaeology

Dr Georgina Waylen

Politics
Professor of Politics

Dr Anthony Wilson

Infection and Immunity
Personal Chair

Dr Janice Windebank

French
Professor

Dr Ian Bache

Politics
Professor

Mr Alan Brennan

SchARR
Professor

Dr Val Gillet

Information Studies
Professor of Chemoinformatics

Dr Peter Totterdell

Institute of Work Psychology
Professor

Dr Iain Wilkinson

Human Metabolism
Professor of MR Physics

Dr David Dockrell

Infection and Immunity
Professor of Infectious Diseases

Dr Albert Ong

Infection and Immunity
Professor of Renal Medicine

Dr Daniel Tovey

Physics & Astronomy
Professor

Dr Matthew Flinders

Politics
Professor

Dr Elizabeth Winstanley

School of Mathematics & Statistics
Professor of Mathematical Physics

Dr Tom Billington

Department of Educational Studies
Professor

Dr Hugo Dobson

East Asian Studies
Professor

Dr Karl Taylor

Economics
Professor of Economics

Professorial and Senior Retirees

Professor Michael Lennon

Clinical Dentistry
Clinical Professor

Professor Barry Chambers

Electronic & Electrical Engineering
Professor of Electromagnetic
Engineering

Professor David Howe

Electronic & Electrical Engineering
Professor

Professor Fergus Gibb

Engineering Materials
Professor of Petrology & Geochemistry

Professor Christopher Cannings

Infection and Immunity
Professor

Professor Geoffrey Turner

Molecular Biology & Biotechnology
Chair in Genetics

Mr Aiton Marr

Nursing & Midwifery
Deputy Dean

Professor Barry Hancock

Oncology
Chair of Clinical Oncology

Professor Digby Tantam

ScHARR
Chair of Psychotherapy

Professor Wilfred Carr

School of Education
Professor of Philosophy of Education

Professor Rodney Sharp

School of Mathematics & Statistics
Professor in Pure Maths

Professor Adrian James

Sociological Studies
Professor of Applied Social Sciences

Professor David Secher

Vice-Chancellor's Office
Chief Executive of N8

Financial Statements 2008–09

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Corporate Governance

The following statement is given to assist readers of the Financial Statements to obtain an understanding of the Governance and legal structure of the University of Sheffield.

The University is an independent corporation whose legal status derives from a Royal Charter granted in 1905. Its objectives, powers and governance framework are set out in the Charter and its supporting Statutes. The University's Charter requires the existence of the following three bodies whose main functions are detailed below.

The Senate

The Senate is the academic authority of the University, whose role is to direct and regulate the teaching and research work of the University. Its membership is drawn mainly from the academic staff of the University.

The Court

The Court is a large, formal body comprised mainly of lay members. Its membership is representative of the University and the community in which it is set. Court meets once per year to receive annual reports from Council and Senate, and to receive and consider the Annual Financial Statements of the University.

The Council

The University's Council is the governing body of the University, responsible for the strategic development and overall performance of the University's business. Council membership comprises lay and academic persons appointed under the statutes of the University, the majority of whom are non-executive. The role of the Chair of the Council is separate from the role of the University's Chief Executive, the Vice-Chancellor. The matters specially reserved to the Council for decision are set out in the Statutes of the University; by custom and under the Financial Memorandum with the Higher Education Funding Council for England, the Council holds to itself the responsibilities for the ongoing strategic direction of the University, approval of major developments and the receipt of regular reports from Executive Officers on the day-to-day operations of its business and its subsidiary companies. Much of the work of Council is carried out through formally constituted committees, including the following:

- The Finance Committee is the body responsible for advising Council on all matters relating to the finances of the University. The Committee recommends to Council the University's Financial Statements for approval, annual revenue and capital budgets, monitors performance in relation to the approved budgets and monitors the execution of financial policies adopted by the Council.
- The Estates Committee acts as an expert Advisory Panel to Council on estates matters in support of Council's responsibility for the stewardship and development of the University estate and specifically to monitor the implementation of the University's Estate Strategy. The Committee reviews and appraises capital schemes to ensure effective and efficient procurement and scrutinises strategic development of the estate in terms of acquisitions and disposals.
- The Audit Committee is constituted in line with guidance issued by HEFCE and contains both lay members of the University Council and co-optees with special expertise who are not on Council. Whilst senior executives attend meetings of the Audit Committee, they are not members of it. Both the External and Internal Auditors have independent access to the Committee, and vice versa. The Audit Committee is responsible for making recommendations to the governing body on the appointment of both the internal and external auditors to the University. The Committee meets with the External Auditors to discuss their audit findings, and to review and approve the audit aspects of the annual financial statements; and it provides the governing body with its own opinions as required by the HEFCE Code. It also approves and influences the annual audit plan prepared by the University's internal auditors, and considers completed audit reports; these deal with recommendations for the improvement of the University's systems of internal control. The Committee also reviews management responses to audit reports and monitors implementation of recommendations. The Committee also receives and considers reports from HEFCE as they affect the University's business and monitors adherence to the regulatory requirements.
- The Human Resource Management Committee is responsible for making recommendations to the Council for new or revised Human Resource policies to support overall strategic Human Resource objectives. The Human Resource Management Committee also approves procedures and receives and considers reports from the Director of Human Resource Management, including Annual Reports of meetings with Campus Unions.

Full Statement of internal control

1. As the governing body of the University of Sheffield, the Council 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 we are responsible, in accordance with the responsibilities assigned to the governing body in the Charter and Statutes and the Financial Memorandum with the HEFCE.
2. 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.
3. The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process has been in place for the year ended 31st July 2009 and up to the date of approval of the annual report and financial statements and accords with HEFCE guidance. The process is regularly reviewed by Council and accords with the Turnbull Guidance. The University has formally adopted the CUC (Committee of University Chairs) Code which has the key motivation of improving effectiveness of governance structures and processes. The University manages risks through a Corporate Risk Register. There are also Faculty and Operating Risk Registers, and Departmental Risk Registers for both academic and professional service departments. The Risk Review Group (a sub-group of UEB) oversees these different levels of risk. The University's risk management policy was formally approved by Council on 11 June 2007. The risk management policy is reviewed annually by Risk Review Group.
4. The following processes have been established:
 - a. The plans and strategic direction of the institution are specifically considered at one of the regular meetings of Council every year.
 - b. Council undertakes an annual assessment for the purpose of making its public statement on internal controls. This assessment considers issues dealt with in the periodic reports received.
 - c. Council receives periodic reports from the Chair of the Audit Committee concerning internal control and risk management.
 - d. Council has delegated responsibility to for overseeing the management of strategic risks to the Risk Review Group, which is a subgroup of the University Executive Board.
 - e. The Audit Committee receives regular reports from Internal Audit, which include Internal Audit's independent opinion on the adequacy and effectiveness of the institution's system of internal control, together with recommendations for improvement. The Audit Committee may also request additional reports to gain assurance from other parties on areas of concern.
 - f. A series of facilitated risk management workshops have been held which have encompassed the University Executive Board, Professional Services, Heads of Departments and Heads of Academic Departments. Issues addressed have included the cascading of the management of risk at departmental level.
 - g. A risk prioritisation methodology based on risk ranking has been established.
 - h. An organisation-wide risk register is maintained for corporate level risks.
 - i. A reporting structure has been implemented whereby high-level strategic opportunities and risks are overseen by Risk Review Group and reported to Council. The University Executive Board receives reports on the action taken on all corporate level risks, along with suggestions for additions to and deletions from the risk register.
5. The institution has contracted its internal audit function to an external provider, which operates to standards defined in the HEFCE Audit Code of Practice and whose work is subject to review for effectiveness by the HEFCE Audit Service. The provider's supervising partner for the assignment functions as the institution's Head of Internal Audit. The internal auditors submit regular reports, which include the Head of Internal Audit's independent opinion on the adequacy and effectiveness of the institution's system of internal control, with recommendations for improvement.
6. Our review of the effectiveness of the system of internal control is informed by the work of Internal Audit and by the executive managers within the institution, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter and other reports.

Independent auditors' report to the Council of The University of Sheffield

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

This report is made solely to the Council, in accordance with the Charter and Statutes of the University. Our audit work has been undertaken so that we might state to the Council those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the University Council and Auditors

The University Council's responsibilities for preparing the Treasurer's Report and the financial statements in accordance with the Accounts Direction issued by the Higher Education Funding Council for England, the Statement of Recommended Practice: Accounting for Further and Higher Education, applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Responsibilities of the University's Council.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education.

We also report to you whether income from funding bodies, grants and income for specific purposes and from other restricted funds administered by the University have been properly applied only for the purposes for which they were received and whether, in all material respects, income has been applied in accordance with the Statutes and, where appropriate, with the Financial Memorandum with the Higher Education Funding Council for England, and the Financial Memorandum with the Training and Development Agency for Schools. We also report to you whether in our opinion the Treasurer's Report is not consistent with the financial statements.

In addition we report to you if, in our opinion, the University has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the Treasurer's Report and the Corporate Governance Statement and consider the implications for our report if we become aware of any apparent misstatements within them or material inconsistencies with the financial statements.

Basis of Opinion

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

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

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the group and the University's affairs as at 31 July 2009 and of the University's and Group's deficit of expenditure over income for the year then ended;
- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2007;
- in all material respects, income from the Higher Education Funding Council for England and the Training and Development Agency for Schools, grants and income for specific purposes and from other restricted funds administered by the University during the year ended 31 July 2009 have been applied for the purposes for which they were received; and
- in all material respects, income during the year ended 31 July 2009 has been applied in accordance with the University's statutes and, where appropriate, with the Financial Memorandum with the Higher Education Funding Council for England and the Financial Memorandum with the Training and Development Agency for Schools.

KPMG LLP

23rd November 2009

*Chartered Accountants
Registered Auditor*

Responsibilities of the Council of the University of Sheffield

In accordance with the University's Statutes, the Council of the University of Sheffield is responsible for the strategic development and overall performance of the University of Sheffield and is required to present audited financial statements for each financial year.

The Council is required to ensure that the financial statements are prepared in accordance with the University's Statutes, the Statement of Recommended Practice: Accounting for Further and Higher Education (2007) and other relevant accounting standards. In addition, within the terms and conditions of a Financial Memorandum agreed between the Higher Education Funding Council for England and the Council of the University of Sheffield, the Council, through its designated office holder, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs at the balance sheet date of the University of Sheffield and of the surplus or deficit and cash flows for that year.

In causing the financial statements to be prepared, the Council has to ensure that:

- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- financial statements are prepared on the going concern basis unless it is inappropriate to presume that the University of Sheffield will continue in operation. The Council is satisfied that the University has adequate resources to continue in operation for the foreseeable future. For this reason the going concern basis continues to be adopted in the preparation of the financial statements.

The Council has taken reasonable steps to:

- ensure that funds from the Higher Education Funding Council for England and the Training and Development Agency for Schools are used only for the purposes for which they have been given, and in accordance with the Financial Memorandum with the Funding Council and the Funding Agreement with the Training and Development Agency for Schools and any other conditions which the Funding Council or the Training and Development Agency for Schools may from time to time prescribe;
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- safeguard the assets of the University and prevent and detect fraud;
- secure the economical, efficient and effective management of the University of Sheffield's resources and expenditure.

Statement of Principal Accounting Policies

1. Basis of Preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2007 and in accordance with applicable accounting standards. The financial statements are prepared in accordance with the historical cost convention modified by the revaluation of certain fixed assets.

2. Basis of consolidation

The consolidated financial statements include the University and all its subsidiaries for the financial year to 31 July 2009. The results of subsidiaries acquired or disposed of during the period are included in the consolidated income and expenditure account from the date of acquisition or up to the date of disposal. Intra-group transactions are eliminated on consolidation.

In accordance with FRS 2, the consolidated financial statements do not include those of the Students' Union because the University does not control those activities.

3. Joint venture entities and associates

The University's share of income and expenditure in joint venture entities is recognised in the University's income and expenditure account in accordance with FRS 9. Similarly the University's share of assets and liabilities in associate entities is recognised in the University's balance sheet in accordance with FRS 9.

The gross equity method is used when consolidating joint venture entities and associate entities are consolidated using the equity method entities in accordance with FRS 9.

4. Intra-group transactions

Gains or losses on any intra-group transactions are eliminated in full. 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; the part relating to the University's share is eliminated.

5. Income Recognition

Funding council block grants are accounted for in the period to which they relate.

Fee income is stated gross and credited to the income and expenditure account over the period in which students are studying. Where the amount of the tuition fee is reduced, by a discount for prompt payment, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

Recurrent income from 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 liabilities.

Donations with restrictions are recognised when relevant conditions have been met; in many cases recognition is directly related to expenditure incurred on specific purposes. Donations which are to be retained for the benefit of the University are recognised in the statement of total recognised gains and losses and in endowments; other donations are recognised by inclusion as other income in the income and expenditure account.

Non-recurrent grants received in respect of the acquisition or construction of fixed assets are treated as deferred capital grants. Such grants are credited to deferred capital grants and an annual transfer made to the income and expenditure account over the useful economic life of the asset, at the same rate as the depreciation charge on the asset for which the grant was awarded.

Income from the sale of goods or services is credited to the income and expenditure account when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

Endowment and investment income is credited to the income and expenditure account on a receivable basis. Income from restricted endowments not expended in accordance with the restrictions of the endowment, is transferred from the income and expenditure account to restricted endowments. Any realised gains or losses from dealing in the related assets are retained within the endowment in the balance sheet.

Any increase in value arising on the revaluation of fixed asset investments is carried as a credit to the revaluation reserve, via the statement of total recognised gains and losses; a diminution in value is charged to the income and expenditure account as a debit, to the extent that it is not covered by a previous revaluation surplus.

Increases or decreases in value arising on the revaluation or disposal of endowment assets i.e. the appreciation or depreciation of endowment assets, is added to or subtracted from the funds concerned and accounted for through the balance sheet by debiting or crediting the endowment asset, crediting or debiting the endowment fund and is reported in the statement of total recognised gains and losses.

All other income is credited to the income and expenditure account in the period in which it is earned.

6. Agency arrangements

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

7. Leases and hire purchase contracts

Costs in respect of operating leases are charged on a straight-line basis over the lease term.

Finance leases, which substantially transfer all the benefits and risks of ownership of an asset to the University, are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital elements of the leasing commitments are shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied in order to reduce outstanding obligations and the interest element is charged to the income and expenditure account in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease term or the useful economic lives of equivalent owned assets.

8. Taxation

The University is an exempt charity within the meaning of schedule 2 of the Charities Act 1993 and as such is a charity within the meaning of section 506(1) of the Income and Corporation Taxes Act 1988 (ICTA 1988). Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 505 of ICTA 1988 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes. None of the University's subsidiaries have charitable status.

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 tangible fixed assets is included in their cost.

Deferred tax is provided in full on timing differences which 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 recognised to the extent they are regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

9. Accounting for goodwill and intangible fixed assets

Goodwill arises on consolidation and is based on the difference between the fair value of the consideration given for the undertaking acquired and the fair value of its separable net assets at the date of acquisition. Goodwill is amortised over its estimated economic life. Where goodwill and intangible assets are regarded as having limited useful economic lives, they are amortised over those lives up to a maximum of 20 years. Impairment tests are carried out at the end of the first year and thereafter subject to normal periodic reviews for indications of impairment. Where there is impairment in the carrying value of goodwill, the loss is incurred in the results for the period.

Positive purchased goodwill is capitalised and classified as an asset on the balance sheet. Negative goodwill is separately disclosed on the face of the balance sheet in fixed assets and is released to the income and expenditure account. The accounting treatment is set out in policy note on accounting for business combinations.

10. Land and Buildings

Land and buildings are stated at valuation. All valuations are carried out by parties external to the University. The basis of valuation is as follows: -

Specialised Properties

depreciated replacement cost

Non-specialised Properties

open market value on existing use basis

Residential Accommodation – operational assets

open market value

Residential Accommodation – non operational assets

open market value

An interim valuation of academic, office, ancillary and support buildings was carried out on 31st July 2009 by Gerald Eve, Chartered Surveyors.

An interim valuation of the University's halls of residence and other residential properties was carried out on 31 July 2008 by Saxton Mee. The last full valuation of the University's halls of residence and other residential properties was carried out on 31 July 2005 by Knight Frank plc.

An interim valuation of the University's land upon which Catalyst Higher Education Sheffield PLC (Catalyst) is building the Student Village in accordance with the redevelopment of student residential provision, was carried out on 31 July 2008 by Eadon, Lockwood and Riddle. The last full valuation of this land was carried out on 31 July 2006 by Eadon, Lockwood and Riddle.

Costs incurred in relation to a tangible fixed asset, after its initial purchase or production, and prior to valuation, are capitalised to the extent that they increase the expected future benefits to the University from the existing tangible fixed asset beyond its previously assessed standard of performance; the cost of any such enhancements are added to the gross carrying amount of the tangible fixed asset concerned. Assets are depreciated on a straight line basis.

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated over their expected useful lives of 50 years and leasehold land over the life of the lease up to a maximum of 50 years. Refurbishments are depreciated over their expected useful lives, up to a maximum of 20 years. Where material, a depreciable asset's anticipated useful economic life is reviewed annually and the accumulated and future depreciation adjusted in accordance with FRS 15.

Specialised short-life assets, for example synthetic sports pitches, are depreciated over their expected useful lives up to a maximum of seven years.

Depreciation is charged against individual assets as soon as their full, unrestricted use becomes available to the University. In the year of acquisition, the depreciation charged against the asset is in proportion to the part of the year the asset is available for use.

No depreciation is charged on assets in the course of construction.

Where buildings are acquired with the aid of specific grants they are capitalised and depreciated as above. The related grants are treated as deferred capital grants and released to income over the expected useful life of the related asset on a basis consistent with the depreciation policy.

These valuations are retained subject to the requirement to test assets for impairment in accordance with FRS 11. A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of a fixed asset may not be recoverable. Where assets funded by deferred capital grants are impaired, the related deferred capital grant is released to income.

A value is attributed to the benefit of assets which the University does not own and for which no annual or nominal rental is paid, and are capitalised, with a corresponding credit to deferred capital grants, and thereafter depreciated over the period of use.

11. Equipment

Equipment, including computers and software, costing less than £20,000 per individual item is written off in the year of acquisition. All other equipment is capitalised.

Capitalised equipment is stated at cost and depreciated over an expected useful life of a maximum of ten years, with the exception of equipment acquired for specific research projects, which is depreciated over the average project life of three years.

Depreciation is charged against individual assets as soon as their full, unrestricted use becomes available to the University. In the year of acquisition, the depreciation charged against the asset is in proportion to the part of the year the asset is available for use.

Where equipment is acquired with the aid of specific grants it is capitalised and depreciated as above. The related grant is treated as a grant received in advance and released to income over the expected useful life of the equipment.

Donated equipment is capitalised at its market value and depreciated over five years.

12. Assets held for resale

Tangible fixed assets surplus to requirements are held at the lower of cost and net realisable value.

13. Heritage Assets

The University conducted an independent valuation of heritage assets by Andrew Firth, Fine Art and Antiques Limited at 31 July 2008 and this has shown the value of heritage assets is not material and accordingly no heritage assets have been capitalised.

14. 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 associates 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.

Interests in land and buildings held for their investment potential are included in the balance sheet at their market value without charging depreciation.

15. Stock

Stock is stated at the lower of their cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stock.

16. 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 University's treasury management activities. They exclude any such assets held as endowment asset investments.

17. Foreign currency translations

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the Balance Sheet date, with all resulting exchange differences being taken to the income and expenditure account in the period in which they arise.

18. Accounting for research and development

Expenditure on pure and applied research is treated as a part of the continuing activities of the University. Expenditure on development activities is carried forward and amortised over the period expected to benefit.

19. Financial instruments

The University uses derivative financial instruments to reduce exposure to exchange rate movements. Such derivative financial instruments are not held for speculative purposes and relate to actual assets or liabilities or to probable commitments.

All hedging instruments undertaken in respect of interest rate and foreign currency exposure and any amounts receivable or payable on hedging contracts are accounted for on a consistent basis with the underlying assets or liabilities. Interest payable and receivable is accounted for on an accruals basis. Premiums or charges incurred in respect of the hedge instruments are deferred and amortised over the term of the instrument. In instances where the derivative financial instrument ceases to be a hedge for an actual asset or liability, then it is marked to market and any resulting profit or loss recognised at that time.

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.

20. Maintenance of Premises

The University has a rolling maintenance plan, which is reviewed on an annual basis. The cost of routine corrective maintenance is charged to the income and expenditure account as incurred.

21. Accounting for charitable donations Unrestricted donations

Charitable donations are recognised in the accounts when the charitable donation has been received or if, before receipt, there is sufficient evidence to provide the necessary certainty that the donation will be received and the value of the incoming resources can be measured with sufficient reliability.

Endowment funds

Where charitable donations are to be retained for the benefit of the University as specified by the donors, these are accounted for as endowments. There are three main types:

1. 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.
2. Restricted expendable endowments – the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the University can convert the donated sum into income.
3. 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.

Total return on investment for permanent endowments

Total return is the whole of the investment return received by the University on the permanent endowment funds regardless of how it has arisen.

The total return, less any part of the return which has previously been applied for the purposes of the University, remains in the unapplied total return fund. This fund remains part of the permanent endowment until such time as a transfer is made to the income and expenditure account.

Donations for fixed assets

Donations received to be applied to the cost of a tangible fixed asset are shown on the balance sheet as a deferred capital grant. The deferred capital grant is released to the income and expenditure account over the same estimated useful life that is used to determine the depreciation charge associated with the tangible fixed asset.

Gifts in kind, including donated tangible fixed assets

Gifts in kind are included in 'other income' or 'deferred capital grants' as appropriate using a reasonable estimate of their gross value or the amount actually realised.

22. Accounting for retirement benefits

The two principal pension schemes for the University's staff are the Universities Superannuation Scheme (USS) and the University of Sheffield Pension Scheme (1975) (USPS). The schemes are defined-benefit schemes, which are externally funded and contracted out of the State Second Pension (S2P). Each fund is valued every three years by professionally qualified independent actuaries. A small number of staff remain in other pension schemes.

Pension costs are assessed on the latest actuarial valuations of the Schemes and are accounted for on the basis of FRS17, except for the USS, a multi-employer scheme, for which contributions are charged directly to the income and expenditure account as if the scheme were a defined contribution scheme. The USPS scheme's assets are included at market value and scheme liabilities are measured on an actuarial basis using the projected unit method. The post-retirement benefit surplus or deficit is included on the University's balance sheet, net of the related amount of deferred tax. Surpluses are only included to the extent that they are recoverable through reduced contributions in the future or through refunds from the schemes. The current service cost and any past service costs are included in the profit and loss account within operating expenses and the expected return on the schemes' assets, net of the impact of the unwinding of the discount on scheme liabilities, is included within other finance income. Actuarial gains and losses, including differences between the expected and actual return on scheme assets, are recognised, net of the related deferred tax, in the statement of total recognised gains and losses.

23. Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when the University has a present obligation (legal or constructive) as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is discounted to present value where the time value of money is material. The discount rate used reflects current market assessments of the time value of money and reflects any risks specific to the liability.

Contingent liabilities are disclosed by way of a note, when the definition of a provision is not met and includes three scenarios: possible rather than a present obligation; a possible rather than a probable outflow of economic benefits; an inability to measure the economic outflow. Contingent assets are disclosed by way of a note, where there is a possible, rather than present, asset arising from a past event.

Consolidated Income and Expenditure Account

For the Year Ended 31st July 2009

	Note	Year Ended 31st July 2009	Year Ended 31st July 2008
Income		£000	£000
Funding Council Grants	1	132,606	122,056
Tuition Fees and Education Contracts	2	112,361	101,384
Research Grants and Contracts	3	97,724	91,665
Other Income	4	56,910	61,184
Endowment and Investment Income	5	4,065	5,395
Total Income		403,666	381,684
Less: Share of income from joint ventures		(387)	(353)
Net income		403,279	381,331
Expenditure			
Staff Costs	6	222,138	208,084
Other Operating Expenses	7	138,056	127,028
Depreciation and Impairment of Assets	12	45,221	26,915
Interest Payable	8	8,101	7,057
Total Expenditure		413,516	369,084
(Deficit)/Surplus on Continuing Operations after Depreciation of Assets at Valuation and Before Tax	- Group	(10,237)	12,247
	- Joint ventures	44	13
	- Associates	(1,311)	(896)
Profit on Sale of Investments		-	-
Loss on Disposal of Assets		(565)	(890)
(Deficit)/Surplus on Continuing Operations after Depreciation of Assets at Valuation, Disposal of Assets and Before Tax	11	(12,069)	10,474
Taxation	10	15	(48)
(Deficit)/Surplus on Continuing Operations after Depreciation of Assets at Valuation, Disposal of Assets and Tax		(12,054)	10,426
Minority Interests		(6)	(178)
Surplus for the Year Transferred to Accumulated Income in Endowment Funds		(473)	(392)
(Deficit)/Surplus on Continuing Operations after Depreciation of Assets at Valuation, Disposal of Assets and After Tax and Minority Interests		(12,533)	9,856

The Income and Expenditure Account is in respect of continuing activities.

Consolidated Statement of Historical Cost Surpluses and Deficits

For the Year Ended 31st July 2009

	Note	Year Ended 31st July 2009	Year Ended 31st July 2008
		£000	£000
(Deficit)/Surplus on Continuing Operations before Tax, Minority Interests and Transfers to Endowments		(12,069)	10,474
Difference Between Historical Cost Depreciation and the Actual Charge for the Year Calculated on the Revalued Amount		6,191	5,863
Realisation of Property Revaluation Gains of Previous Years	22	3,512	4,033
Historical Cost (Deficit)/Surplus Before Tax, Minority Interests and Transfers to Endowments		(2,366)	20,370
Historical Cost (Deficit)/Surplus After Tax, Minority Interests and Transfers to Endowments		(2,830)	19,752

Statement Of Consolidated Total Recognised Gains And Losses

For The Year Ended 31st July 2009

	Note	Year Ended 31st July 2009	Year Ended 31st July 2008
		£000	£000
(Deficit)/Surplus on Continuing Operations After Depreciation of Assets at Valuation, Disposal of Assets, Tax and Transfers to Endowments		(12,533)	9,856
Unrealised Surplus on Revaluation of Fixed Assets	22	18,302	16,753
Decrease in market value of Endowment Asset Investments	21	(2,687)	(2,162)
Decrease in market value of Fixed Asset Investments	22	(409)	(355)
Endowment Income Increase For Year	21	473	392
New Endowments less Realisations	21	(402)	301
Actuarial Loss in respect of Pension Scheme	30	(21,182)	(18,091)
Total Recognised (Losses)/Gains Relating to the Period		(18,438)	6,694
Reconciliation			
Opening Reserves and Endowments		251,319	244,625
Total Recognised (Losses)/Gains for the Year		(18,438)	6,694
Closing Reserves and Endowments		232,881	251,319

Balance Sheet

as at 31st July 2009

	Note	Group As At 31st July 2009 £000	University As At 31st July 2009 £000	Group As At 31st July 2008 £000	University As At 31st July 2008 £000
Fixed Assets					
Tangible Assets	12	502,434	487,048	505,510	487,818
Investments	13	8,789	34,630	7,154	34,917
Investment in joint ventures					
Share of gross assets	13	1,175	-	1,050	-
Share of gross liabilities	13	(956)	-	(876)	-
Investment in associates	13	5,382	-	5,685	-
		516,824	521,678	518,523	522,735
Endowment Assets	21	29,081	29,081	31,697	31,697
Debtors: Due After More Than One Year	14	17,124	17,124	17,587	17,587
Current Assets					
Stock		378	378	405	405
Asset Intended for Sale		5,200	5,200	-	-
Debtors	15	40,659	43,468	43,497	45,250
Investments		72,211	72,211	54,985	54,985
Cash at Bank and in Hand		14,716	1,809	14,717	1,381
		133,164	123,066	113,604	102,021
Creditors: amounts falling due within one year	16	(109,401)	(111,358)	(103,548)	(105,404)
Net Current Assets/(Liabilities)		23,763	11,708	10,056	(3,383)
Total Assets Less Current Liabilities		586,792	579,591	577,863	568,636
Creditors: Amounts Falling Due After More Than One Year	17	(92,498)	(92,497)	(95,145)	(95,145)
Provisions for Liabilities and Charges	19	(14,818)	(14,818)	(5,006)	(5,006)
Net Assets Excluding Pension Liability		479,476	472,276	477,712	468,485
Net Pension Liability	30	(73,915)	(73,915)	(51,286)	(51,286)
Net Assets		405,561	398,361	426,426	417,199

Balance Sheet

as at 31st July 2009

	Note	Group As At 31st July 2009 £000	University As At 31st July 2009 £000	Group As At 31st July 2008 £000	University As At 31st July 2008 £000
Deferred Capital Grants	20	172,756	172,756	175,257	175,257
Endowments					
Expendable	21	2,614	2,604	3,698	3,698
Permanent	21	26,467	26,477	27,999	27,999
		29,081	29,081	31,697	31,697
Reserves					
Revaluation Reserve	22	213,438	212,190	205,248	203,677
Pension Reserve	30	(73,915)	(73,915)	(51,286)	(51,286)
General Reserve	23	64,278	58,249	65,660	57,854
		203,801	196,524	219,622	210,245
Minority Interests		(77)	-	(150)	-
Total Funds		405,561	398,361	426,426	417,199

The financial statements on pages 54 to 93 were approved by the Council on 23rd November 2009 and were signed on its behalf by:-

Mr A. M. C. Staniforth, Treasurer
 Professor K. Burnett, Vice-Chancellor
 Mr R. Rabone, Director Of Finance
 The University Of Sheffield

Consolidated Cash Flow Statement

For the Year Ended 31st July 2009

	Note	Year Ended 31st July 2009	Year Ended 31st July 2008
		£000	£000
Cash Flow From Operating Activities	25	30,421	31,269
Returns on Investments and Servicing of Finance	26	(1,735)	(1,699)
Taxation	10	15	(48)
Capital Expenditure and Financial Investment	27	(8,657)	(5,271)
Management of Liquid Resources		(17,226)	(24,193)
Financing	28	(2,641)	(3,010)
Increase/(Decrease) in Cash in the Period	29	177	(2,952)

Note of Movement in Cash Available on Demand and Short Term Deposits

	Year Ended 31st July 2009 Movement In Year	Year Ended 31st July 2008 Movement In Year
	£000	£000
Increase In Short Term Deposits	17,226	24,193
Increase/(Decrease) In Cash At Bank And Call Accounts	177	(2,952)
Total Increase In Cash And Liquid Resources	17,403	21,241

Reconciliation of Net Cash Flow to Movement in Net Debt

	Note	Year Ended 31st July 2009	Year Ended 31st July 2008
		£000	£000
Increase/(Decrease) in Cash in the Period		177	(2,952)
Increase in Short Term Deposits		17,226	24,193
Change in Net Debt Resulting from Cash Flows		2,641	3,010
Movement In Net Debt In Period		20,044	24,251
Net Debt At 1st August		(24,194)	(48,445)
Net Debt At 31st July	29	(4,150)	(24,194)

Notes to the Financial Statements

Note 1 Funding Council Grants

	Year Ended 31st July 2009	Year Ended 31st July 2008
	£000	£000
Recurrent Grant	112,217	109,580
Specific Grants		
Training & Development Agency for Schools Grant	1,080	975
Higher Education Innovation Fund	1,831	2,971
Teaching Quality Enhancement Fund	712	579
Centre for Teaching and Learning	873	722
Overseas Research Students Award Scheme	383	364
Other	943	407
Deferred Capital Grants Released in Year		
Buildings (Note 20)	12,458	4,157
Equipment (Note 20)	2,109	2,301
	132,606	122,056

Note 2 Tuition Fees and Education Contracts

	Year Ended 31st July 2009	Year Ended 31st July 2008
	£000	£000
Home Full-time Undergraduate Students	37,794	30,217
Home Full-time Postgraduate Students	7,695	7,765
Home Part-time Students	2,660	2,407
Overseas students	40,515	34,293
NHS Education Contracts	8,678	13,963
Research Training Support Grants and Other Fees	15,019	12,739
	112,361	101,384

Notes to the Financial Statements

Note 3 Research Grants and Contracts

	Year Ended 31st July 2009	Year Ended 31st July 2008
	£000	£000
Research Councils	41,464	38,344
UK Based Charities	12,740	12,222
European Commission	11,393	9,023
Other Grants and Contracts	27,692	28,131
Release from Deferred Capital Grants (Note 20)	4,435	3,945
	97,724	91,665

Note 4 Other Income

	Year Ended 31st July 2009	Year Ended 31st July 2008
	£000	£000
Residences, Catering and Conferences	17,536	20,127
Other Services Rendered	16,503	19,308
Health Authorities	8,021	6,656
Releases from Deferred Capital Grants (Note 20)	5,954	3,278
Other Income	8,509	11,462
Income from Joint Ventures	387	353
	56,910	61,184

Note 5 Endowment and Investment Income

	Year Ended 31st July 2009	Year Ended 31st July 2008
	£000	£000
Income from Expendable Endowments (Note 21)	294	345
Income from Permanent Endowments (Note 21)	690	818
Other Investment Income	3,081	4,232
	4,065	5,395

Notes to the Financial Statements

Note 6 Staff

	Year Ended 31st July 2009	Year Ended 31st July 2008
	£000	£000
Staff Costs:		
Wages and Salaries	175,920	170,756
Social Security Costs	14,466	14,456
Other Pension Costs (Note 30)	31,752	22,872
	222,138	208,084
Emoluments of the Vice-Chancellor included above for the period 1st August 2008 to 31st July 2009		
Salary	232	191
Benefits in Kind	6	6
	238	197
Pension Contributions	35	22
	273	219

The 2007–08 comparative figures for Vice Chancellor's emoluments cover the period from 1st September 2007 to 31st July 2008.

Remuneration of other Higher Paid Staff, excluding employer's pension contributions but including payments made on behalf of the NHS in respect of its contractual obligations to University staff under separate NHS contracts of employment, are shown below.

	Number	Number
£100,000–£109,999	23	20
£110,000–£119,999	18	15
£120,000–£129,999	10	7
£130,000–£139,999	10	6
£140,000–£149,999	9	12
£150,000–£159,999	6	4
£160,000–£169,999	3	7
£170,000–£179,999	4	5
£180,000–£189,999	1	3
£190,000–£199,999	1	3
£200,000–£209,999	1	1
£210,000–£219,999	2	-
£220,000–£229,999	-	-
£230,000–£239,999	1	-

Notes to the Financial Statements

Note 6 Staff (continued)

	Year Ended 31st July 2009	Year Ended 31st July 2008
	FTE's	FTE's
Academic	1,970	2,027
Academic Services	446	417
Central Administration and Services	498	493
Premises	397	394
Research, Grants and Contracts	1,431	1,418
Residences, Catering and Conferences	201	217
Staff and Student Facilities	138	136
	5,081	5,102

Notes to the Financial Statements

Note 7 Other Operating Expenses

	Year Ended 31st July 2009	Year Ended 31st July 2008
	£000	£000
Consumables and Laboratory Expenditure	11,703	11,067
Books and Periodicals	3,155	2,865
Printing, Stationery and Postage	3,521	3,565
Rates	828	816
Fellowships, Scholarships, Bursaries and Prizes	26,088	24,569
Furniture and Equipment	9,073	10,701
Heat, Light, Water and Power	11,401	9,132
Repairs and General Maintenance	8,979	7,079
Grants to University of Sheffield Students' Union	1,860	1,594
Rents	8,474	10,785
Auditors' Remuneration	80	61
Auditors' Remuneration in Respect of Non-Audit Services	110	73
Professional Fees and Bought in Services	11,672	10,351
Provision for Bad and Doubtful Debts	370	1,209
Administrative Expenses	5,520	4,723
Travel and Subsistence Expenses	8,694	8,424
Payments to Non-Contracted Staff	8,487	10,098
Conference and Meeting Expenditure	1,576	1,296
Professional Subscriptions	1,524	1,700
Restructuring Costs and Redundancy Payments	601	624
Voluntary Severance Payments	10,675	-
Impairment of Building Held for Resale	1,604	-
Other Expenses	2,061	6,296
	138,056	127,028

Auditors' remuneration for the University of Sheffield is £57,287 (2008: £56,823)
The provision for bad and doubtful debts as at 31st July 2009 is £3,115,000

Notes to the Financial Statements

Note 8 Interest Payable and Similar Charges

	Year Ended 31st July 2009	Year Ended 31st July 2008
	£000	£000
Loans wholly repayable within five years	35	1,266
Loans not wholly repayable within five years	5,763	5,171
Finance Leases	2	-
Finance Pension Costs	2,301	620
	8,101	7,057

Note 9 Analysis of 2008–09 Expenditure by Activity

	Staff Costs	Operating Expenses	Dep'n	Interest Payable	Total
	£000	£000	£000	£000	£000
Academic Departments	112,828	23,229	3,612	-	139,669
Academic Services	13,439	9,221	857	-	23,517
Central Administration & Services	16,391	10,059	1,147	-	27,597
General Educational Expenditure	4,074	15,317	-	-	19,391
Staff and Student Facilities	4,596	3,318	-	53	7,967
Research Grants and Contracts	46,220	21,796	4,563	-	72,579
Residences, Catering and Conferences	5,831	11,796	1,727	-	19,354
Premises	9,042	20,875	33,039	8,048	71,004
Other Expenses	9,717	22,445	276	-	32,437
	222,138	138,056	45,221	8,101	413,516

The depreciation charge has been funded by:

Deferred Capital Grants Released	24,955
Revaluation Reserve Released (Note 22)	6,191
General Income	14,075
	45,221

Notes to the Financial Statements

Note 10 Taxation

	Year Ended 31st July 2009	Year Ended 31st July 2008
	£000	£000
Current tax	12	69
Prior Year overprovision	(28)	(24)
Prior Year deferred tax	21	-
Deferred Tax	(20)	3
United Kingdom Corporation Tax - Group	(15)	48

No provision has been made for deferred taxation on the revaluation reserve relating to the potential profits in the University Group following the intragroup transfer of certain properties in the year to 31st July 2005.

Profits on sale of the properties will arise in Escafeld Estates Limited. They will be paid in total to the University under a Deed Of Covenant, reducing profits chargeable to tax to nil. No tax liability is therefore expected to crystallise within the group.

The full potential liability to tax if the Deed of Covenant were not in place is disclosed below.

	Group Year Ended 31st July 2009	University Year Ended 31st July 2009	Group Year Ended 31st July 2008	University Year Ended 31st July 2008
	£000	£000	£000	£000
	2,760	2,760	3,198	3,198

Note 11 (Deficit)/Surplus on Continuing Operations for the Period

	Year Ended 31st July 2009	Year Ended 31st July 2008
	£000	£000
The (Deficit)/Surplus on continuing operations for the period is made up as follows:		
University's (Deficit)/Surplus for the period before loss on disposal of fixed assets	(9,787)	11,299
Loss on disposal of fixed assets and investments	(565)	(890)
Consolidation of subsidiary companies	(451)	948
Group (Deficit)/Surplus for the period	(10,803)	11,357
Share of associates' and joint ventures' deficit	(1,266)	(883)
(Deficit)/Surplus on continuing operations before tax	(12,069)	10,474

Notes to the Financial Statements

Note 12 Tangible Assets (Consolidated)

	Freehold	L and Buildings Long Leasehold	Assets in Course of Construction	Equipment	Leased Equipment	Total
	£000	£000	£000	£000	£000	£000
Valuation/Cost						
At 1st August 2008						
Valuation	411,713	37,993	-	960	-	450,666
Cost	35,108	2,011	36,577	85,080	4,840	163,616
Additions at Cost	13,417	377	11,909	6,870	29	32,602
Transfers	29,582	(287)	(30,036)	741	-	-
Gain on Revaluation	5,220	5,568	-	-	-	10,788
Loss on Revaluation	(47,744)	(741)	-	-	-	(48,485)
Disposals						
Valuation	(1,923)	(7,250)	-	-	-	(9,173)
Cost	-	-	-	(543)	-	(543)
At 31st July 2009						
Valuation	367,266	35,570	-	960	-	403,796
Cost	78,107	2,101	18,450	92,148	4,869	195,675
Depreciation						
At 1st August 2008						
	44,506	2,900	-	56,526	4,840	108,772
Charge for Year	16,905	1,496	-	10,351	4	28,756
Impairment Write Down	16,447	18	-	-	-	16,465
Revaluation	(52,196)	(3,802)	-	-	-	(55,998)
Eliminated on Disposals	-	(446)	-	(512)	-	(958)
At 31st July 2009	25,662	166	-	66,365	4,844	97,037
Net Book Value						
At 31st July 2009						
	419,711	37,505	18,450	26,743	25	502,434
At 1st August 2008						
	402,315	37,104	36,577	29,514	-	505,510

Notes to the Financial Statements

Note 12 Tangible Assets (University)

	Freehold	Land and Buildings Long Leasehold	Assets in Course of Construction	Equipment	Leased Equipment	Total
	£000	£000	£000	£000	£000	£000
Valuation/Cost						
At 1st August 2008						
Valuation	396,093	36,097	-	960	-	433,150
Cost	35,108	2,011	36,577	84,843	4,840	163,379
Additions at Cost	13,417	377	11,909	6,859	29	32,591
Transfers	29,582	(287)	(30,036)	741	-	-
Gain on Revaluation	5,220	5,568	-	-	-	10,788
Loss on Revaluation	(47,744)	(741)	-	-	-	(48,485)
Disposals						
Valuation	-	(7,250)	-	-	-	(7,250)
Cost	-	-	-	(543)	-	(543)
At 31st July 2009						
Valuation	424,672	35,586	-	960	-	461,218
Cost	7,004	189	18,450	91,900	4,869	122,412
Depreciation						
At 1st August 2008						
	44,506	2,900	-	56,465	4,840	108,711
Charge for Year	16,536	1,496	-	10,285	4	28,321
Impairment Write Down	16,447	18	-	-	-	16,465
Revaluation	(52,196)	(3,802)	-	-	-	(55,998)
Eliminated on Disposals	-	(446)	-	(471)	-	(917)
At 31st July 2009	25,293	166	-	66,279	4,844	96,582
Net Book Value						
At 31st July 2009						
	406,383	35,609	18,450	26,581	25	487,048
At 1st August 2008						
	386,695	35,208	36,577	29,338	-	487,818

Notes to the Financial Statements

Note 13 Fixed Asset Investments

	Group Year Ended 31st July 2009	University Year Ended 31st July 2009	Group Year Ended 31st July 2008	University Year Ended 31st July 200
	£000	£000	£000	£000
Balance at 1st August	13,013	34,917	14,275	37,877
Additions	2,878	2,878	47	-
Disposals	-	-	(17)	(17)
Investment return on Escafeld Estates Limited	-	(1,564)	-	(2,697)
Loans to Associate Companies	(30)	(30)	114	114
Appreciation on Revaluation	(428)	(428)	(360)	(360)
Other Net Losses	(1,044)	(1,143)	(1,046)	-
Balance at 31st July	14,389	34,630	13,013	34,917
Represented By:				
Fixed Interest Stocks	1,582	1,582	1,743	1,743
Unit Trusts/Property Trusts	50	50	45	45
Equities	12,056	32,297	9,280	31,145
Escafeld Estates Limited	-	-	-	39
Loans to Associate Companies	695	695	1,868	1,868
Cash	6	6	77	77
Total Fixed Asset Investments	14,389	34,630	13,013	34,917
Fixed Interest and Equities at Cost and Bank Balances	5,998	31,362	3,121	30,053

Investments in joint ventures and associates

The institution has shareholdings in joint ventures and associates as detailed in note 33. These are treated as joint ventures and are accounted for using the gross equity method, such that the appropriate percentage of the companies gross assets and liabilities are incorporated into the consolidated balance sheet of the University and the appropriate percentage of net income is reported in the University's consolidated Income and Expenditure account. The impact of the joint ventures upon the consolidated accounts is not material.

Notes to the Financial Statements

Note 14 Debtors: Amounts falling due after one year

	Group Year Ended 31st July 2009	University Year Ended 31st July 2009	Group Year Ended 31st July 2008	University Year Ended 31st July 2008
	£000	£000	£000	£000
Prepayment: Capital Contribution to Residences Project	17,124	17,124	17,587	17,587

Note 15 Debtors: Amounts falling due within one year

	Group Year Ended 31st July 2009	University Year Ended 31st July 2009	Group Year Ended 31st July 2008	University Year Ended 31st July 2008
	£000	£000	£000	£000
Debtors	32,723	31,550	34,393	33,475
Amounts owed by subsidiary undertakings	-	3,982	-	3,871
Prepayment: Capital Contribution to Student Village Project	463	463	329	329
Other Prepayments and Accrued Income	7,473	7,473	8,775	7,575
	40,659	43,468	43,497	45,250

Note 16 Creditors: Amounts falling due within one year

	Group Year Ended 31st July 2009	University Year Ended 31st July 2009	Group Year Ended 31st July 2008	University Year Ended 31st July 2008
	£000	£000	£000	£000
Bank Loans and Overdrafts	2,665	2,665	2,665	2,665
Payments Received in Advance	62,917	62,917	52,635	52,253
Creditors	27,439	26,821	31,514	32,461
Amounts owed to subsidiary undertakings	-	2,575	-	1,513
Social Security and Other Taxation Payable	5,011	5,011	4,895	4,876
Accruals	11,363	11,363	11,791	11,636
Obligations under Finance Leases	6	6	-	-
Corporation Tax	-	-	48	-
	109,401	111,358	103,548	105,404

Notes to the Financial Statements

Note 17 Creditors: Amounts falling due after more than one year

	Group Year Ended 31st July 2009	University Year Ended 31st July 2009	Group Year Ended 31st July 2008	University Year Ended 31st July 2008
	£000	£000	£000	£000
Unsecured loans repayable:-				
Between one and two years	2,665	2,665	2,665	2,665
Between two and five years	8,004	8,004	8,004	8,004
In five years or more	81,810	81,810	84,476	84,476
Finance Leases repayable:-				
Between one and two years	6	6	-	-
Between two and five years	13	13	-	-
	92,498	92,498	95,145	95,145

Note 18 Borrowings

Summary of University Borrowing at 31st July 2009

Institution	Date	Term	Type	Interest	Due within	Due in more
					one year	than one year
					£000	£000
Unifund Plc	31st May 2007	40 years	Private Placement	Fixed - 5.3300%	-	59,737
Lloyds TSB Plc	30th November 2007	15 years	Term Loan	Fixed - 5.4750%	2,665	32,742
				Variable - 5.9512%		
					2,665	92,479

Amounts due within one year are included within bank loans and overdrafts in Note 16. Amounts due in more than one year are included in Note 17.

Notes to the Financial Statements

Note 19 Provisions for Liabilities and Charges

	Retirement Costs	Other	Total
	£000	£000	£000
At 1st August 2008	3,791	1,215	5,006
Utilised in Year	(854)	(236)	(1,090)
Transfer from Income and Expenditure Account	63	10,839	10,902
At 31st July 2009	3,000	11,818	14,818

The provision for early retirement is the estimated liability that will arise from agreed early retirements under the University's restructuring arrangements. Other provisions includes provision for payments under the University's Voluntary Severance Scheme. In addition other provisions includes the final disposal costs of sealed sources disposal costs as defined by the High Activity Sealed Source Regulations of 2005 (SI2005 No. 2686). The current estimates for the provision are £1,500 for the disposal of a large Sr-90 source and £101,800 for the disposal of two Cs-137 blood irradiators. These provisions will be reviewed on a biennial basis. The above amounts include an amount in relation to potential contractual claims.

Note 20 Deferred Capital Grants

	Funding Council	Other Grants & Benefactions	Total
	£000	£000	£000
Balance at 1st August 2008			
Buildings	86,378	59,570	145,948
Equipment	16,657	12,652	29,309
Total	103,035	72,222	175,257
Cash Received			
Buildings	15,183	1,950	17,133
Equipment	149	5,172	5,321
Total	15,332	7,122	22,454
Released to Income and Expenditure			
Buildings (Notes 1, 3 and 4)	(12,457)	(5,329)	(17,786)
Equipment (Notes 1, 3 and 4)	(2,109)	(5,060)	(7,169)
Total	(14,566)	(10,389)	(24,955)
At 31st July 2009			
Buildings	89,104	56,191	145,295
Equipment	14,697	12,764	27,461
Total	103,801	68,955	172,756

Notes to the Financial Statements

Note 21 Endowments

	Unrestricted Permanent	Restricted Permanent	Total Permanent	Restricted Expendable	Total Year Ended 31st July 2009
	£000	£000	£000	£000	£000
Balances at 1st August 2008					
Capital	6,110	18,569	24,679	3,106	27,785
Accumulated Income	-	3,319	3,319	593	3,912
	6,110	21,888	27,998	3,699	31,697
New Endowments Received	-	366	366	5	371
Investment Income (Note 5)	221	468	689	294	983
Expenditure	(221)	(169)	(390)	(120)	(510)
Realisations	-	-	-	(773)	(773)
Decrease in market value	(502)	(1,684)	(2,186)	(501)	(2,687)
At 31st July 2009	5,608	20,869	26,477	2,604	29,081
Representing:					
Fellowships and Scholarship Funds	-	9,153	9,153	1,577	10,730
Prize Funds	-	824	824	388	1,212
Chairs and Lectureship Funds	-	2,964	2,964	47	3,011
Other Funds	5,608	7,928	13,536	592	14,128
	5,608	20,869	26,477	2,604	29,081
Represented by:					
Capital	5,608	17,261	22,869	2,122	24,991
Accumulated Income	-	3,608	3,608	482	4,090
	5,608	20,869	26,477	2,604	29,081
The value of Endowment Asset Investments at 31st July 2009 was represented by:-					
Fixed Interest Stocks					9,275
Unit Trusts/Property Trusts					285
Equities					15,765
Land and Property					37
Bank Balances					3,719
Total Endowment Assets					29,081

Notes to the Financial Statements

Note 22 Revaluation Reserve

	Consolidated Year Ended 31st July 2009	University Year Ended 31st July 2009	Consolidated Year Ended 31st July 2008	University Year Ended 31st July 2008
	£000	£000	£000	£000
Balance at 1st August				
- Tangible Assets	201,501	200,283	194,644	194,786
- Investments	3,747	3,394	4,102	3,749
	205,248	203,677	198,746	198,535
Revaluation in Year				
- Tangible Assets	18,302	18,302	16,753	15,105
- Investments	(409)	(409)	(355)	(355)
Released to Income & Expenditure Account on Sale of Tangible Asset	(3,512)	(3,484)	(4,033)	(4,047)
Contribution to Depreciation	(6,191)	(5,896)	(5,863)	(5,561)
Balance at 31st July				
- Tangible Assets	210,100	209,205	201,501	200,283
- Investments	3,338	2,985	3,747	3,394
	213,438	212,190	205,248	203,677

Note 23 General Reserve

	Consolidated Year Ended 31st July 2009	University Year Ended 31st July 2009	Consolidated Year Ended 31st July 2008	University Year Ended 31st July 2008
	£000	£000	£000	£000
Balance at 1st August	65,660	57,854	45,304	37,176
(Deficit)/Surplus after Depreciation of Assets	(12,533)	(10,392)	9,856	10,520
Release from Revaluation Reserve	9,703	9,379	9,896	9,608
	62,831	56,841	65,056	57,304
Add back pension deficit	1,447	1,447	604	604
Unrealised Profit on Disposal of Fixed Assets	-	(39)	-	(54)
Balance at 31st July	64,278	58,249	65,660	57,854

Notes to the Financial Statements

Note 24 Pension Reserve

	Consolidated Year Ended 31st July 2009	University Year Ended 31st July 2009	Consolidated Year Ended 31st July 2008	University Year Ended 31st July 2008
	£000	£000	£000	£000
Balance at 1st August	(51,286)	(51,286)	(32,591)	(32,591)
Actuarial loss in respect of pension scheme	(22,629)	(22,629)	(18,091)	(18,091)
Less Pension Deficit from General Reserve	-	-	(604)	(604)
Balance at 31st July	(73,915)	(73,915)	(51,286)	(51,286)

Note 25 Reconciliation of Consolidated Operating Surplus to Net Cash Inflow from Operating Activities

	Year Ended 31st July 2009	Year Ended 31st July 2008
	£000	£000
(Deficit)/Surplus before tax	(12,548)	9,808
Depreciation (Note 12)	45,221	26,915
Loss on Disposal of Assets	565	890
Deferred Capital Grants Released to Income (Note 20)	(24,955)	(13,681)
Pension costs less contributions payable	1,447	604
Investment Income	(4,065)	(4,736)
Interest Payable	5,800	6,435
Decrease/(Increase) in Stocks	27	(88)
Decrease/(Increase) in Debtors	3,301	(7,138)
Increase in Creditors	5,816	11,965
Increase in Provisions	9,812	295
Net Cash Inflow from Operating Activities	30,421	31,269

Notes to the Financial Statements

Note 26 Returns on Investments and Servicing of Finance

	Year Ended 31st July 2009	Year Ended 31st July 2008
	£000	£000
Income from Endowments	1,139	1,289
Income from Short-Term Investments	2,926	3,447
Interest Paid	(5,800)	(6,435)
Net cash outflow from returns on investments and servicing of finance	(1,735)	(1,699)

Note 27 Capital Expenditure and Financial Investment

	Year Ended 31st July 2009	Year Ended 31st July 2008
	£000	£000
Tangible Assets Acquired	(32,602)	(52,418)
Fixed Asset Investments Acquired	(2,878)	(275)
Endowment Asset Investments Acquired	(371)	(331)
Total Fixed and Endowment Asset Investments Acquired	(35,851)	(53,024)
Receipts from sales of Fixed Assets	4,191	4,835
Deferred Capital Grants Received	22,454	42,322
Utilisation of Endowment Fund Balances	178	265
Endowments Received	371	331
Net cash outflow from capital expenditure and financial investment	(8,657)	(5,271)

Note 28 Analysis of Changes in Financing during the year

	Finance Leases	Mortgages & Loans	Total
	£000	£000	£000
Balance at 1st August 2007	-	100,820	100,820
New Leases/Loans	-	39,314	39,314
Capital Repayments	-	(42,324)	(42,324)
Net Amount Released in Year	-	(3,010)	(3,010)
Balance at 31st July 2008	-	97,810	97,810
New Leases/Loans	29	-	29
Capital Repayments	(4)	(2,666)	(2,670)
Net Amount Acquired/(Released) in Year	25	(2,666)	(2,641)
Balances at 31st July 2009	25	95,144	95,169

Notes to the Financial Statements

Note 29 Analysis of Changes in Net Debt

	At 1st August 2008	Cash Flows	Other Changes	At 31st July 2009
	£000	£000	£000	£000
Cash at Bank and in Hand				
Endowment Assets	3,914	178	-	4,092
Other	14,440	(616)	-	13,824
Deposits repayable on demand	277	615	-	892
Total Cash at Bank and in Hand	18,631	177	-	18,808
Short-Term Deposits	54,985	17,226	-	72,211
Debt due within one year	(2,665)	-	(6)	(2,671)
Debt due after one year	(95,145)	2,666	(19)	(92,498)
Total	(24,194)	20,069	(25)	(4,150)

Note 30 Pension Schemes

Different categories of staff are eligible to join one of four different schemes:

- Universities' Superannuation Scheme (USS)
- University of Sheffield Pension Scheme (USPS)
- Federated Superannuation System for Universities (FSSU)
- National Health Service Pension Scheme (NHSPS).

The two main schemes, being USS and USPS, are both defined-benefit schemes contracted out of the State Second Pension (S2P) the assets of which are held in separate trustee-administered funds.

The other two schemes are firstly the Federated Superannuation System for Universities (FSSU), a money purchase scheme contracted into the State Second Pension (S2P), which covers a small number of academic staff who elected not to transfer to USS when the new scheme was established in 1975, and secondly the National Health Service Pension Scheme (NHSPS), a defined-benefit scheme contracted out of the State Second Pension (S2P), which is restricted to a number of clinical staff who, when transferring from the Health Service to the University, opted to remain in the Health Service Scheme. Both schemes are administered nationally and their assets are held independently of the University.

The total pension cost to the University was:

	Year Ended 31st July 2009	Year Ended 31st July 2008
	£000	£000
USS	23,939	16,885
USPS including FRS 17 adjustments	6,172	4,493
Other Pension Schemes	1,641	1,393
	31,752	22,771

Notes to the Financial Statements

Note 30 Pension Schemes (continued)

(i) The Universities' Superannuation Scheme (USS)

The Universities' Superannuation Scheme (USS) is the main scheme covering most academic and academic-related staff, which provides benefits based on final pensionable salary. The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Limited.

It is not possible to identify each institution's share of the underlying assets and liabilities of the scheme and hence contributions to the scheme are accounted for as if it were a defined contribution scheme, therefore full FRS 17 disclosure is not required. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

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

The valuation was carried out using the projected unit method. The assumptions which have the most significant effect on the result of the valuation are those relating to the rate of return on investments (i.e. the valuation rate of interest), the rates of increase in salary and pensions and assumed rates of mortality. The financial assumptions were derived from market yields prevailing at the valuation date. An "inflation risk premium" adjustment was also included by deducting 0.3% from the market-implied inflation on account of the historically high level of inflation implied by government bonds (particularly when compared to the Bank of England's target of 2% for CPI which corresponds broadly to 2.75% for RPI per annum).

To calculate the technical provisions it was assumed that the valuation rate of interest would be 6.4% per annum (which includes an additional assumed investment return over gilts of 2% per annum), salary increases would be 4.3% per annum (plus an additional allowance for increases in salaries due to age and promotion reflecting historic scheme experience, with a further cautionary reserve on top for past service liabilities) and pensions would increase by 3.3% per annum.

At the valuation date the value of the assets of the scheme was £28,842.6 million and the value of the scheme's technical provisions was £28,135.3 million indicating a surplus of £707.3 million. 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. On 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 71%. Under the Pension Protection Fund regulations introduced by the Pensions Act 2004 the scheme was 107% funded on a buy-out basis (i.e. assuming the Scheme had discontinued on the valuation date) the assets would have been approximately 79% of the amount necessary to secure all the USS benefits with an insurance company; and using the FRS 17 formula as if USS was a single employer scheme, using AA bond discount rate of 6.5% per annum based on spot yield, the actuary estimated that the funding level at 31st March 2008 was 104%.

The technical provisions relate essentially to 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 accruals 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 1.7% per annum (compared to 2% per annum for the technical provisions) giving a discount rate of 6.1% per annum; also the allowance for promotional salary increases was not as high. There is currently uncertainty in the sector regarding pay growth. Analysis 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. However, 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 required for future service benefits alone at the date of the valuation was 16% of pensionable salaries and the trustee company, on the advice of the actuary, agreed to increase the institution contribution rate to 16% of pensionable salaries from 1st October 2009.

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

Notes to the Financial Statements

Note 30 Pension Schemes (continued)

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

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

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

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

The total pension cost for the institution was £23,939m (2007-08 £16,885m). The contribution rate payable by the institution was 14% of pensionable salaries. During the financial year 2008-09 the University participated in a salary sacrifice scheme, which has resulted in the employer contributions to the pension scheme increasing to include the contributions that would previously have been made by employees.

FRS 17 (Retirement Benefits)

Disclosure is not required under Financial Reporting Standard 17 for the Universities Superannuation Scheme or the NHS Pension Scheme, because although they are defined benefit schemes it is not possible to identify surpluses and deficits by individual employer. These schemes are accordingly accounted for as if they were defined contribution schemes, which are exempt from FRS 17 disclosure requirements. The Federated Superannuation Scheme for Universities is a defined contribution scheme and therefore exempt from the disclosure.

Under the definitions set out in FRS 17, disclosure is required for the University of Sheffield Pension Scheme.

(ii) The University of Sheffield Pension Scheme (USPS)

FRS 17 (Retirement Benefits) Disclosure for the accounting period ending 31st July 2009 University of Sheffield Pension Scheme

- a. The University operates a final salary defined benefit pension scheme that non-academic employees of the University can participate in, called the University of Sheffield Pension Scheme. The scheme is externally funded and is contracted out of the state second tier of pension provision.
- b. The last formal actuarial valuation of the scheme was performed as at 1st April 2008 by a professionally qualified actuary and the next valuation is due no later than 1st April 2011.
- c. During the accounting period, the University paid contributions to the pension scheme at the rate of 15.6% of pensionable salaries until 1st April 2009 and 21.6% thereafter. Since May 2008, the University has also contributed the Salary Sacrifice amount for each Non-Contributory member (i.e. those participating in the Salary Sacrifice arrangement). Except for Non-Contributory members, members were required to contribute 6% of pensionable salaries until April 2009 and 6.8% thereafter.
- d. The University also provides ex-gratia pension benefits to certain employees and former employees who previously did not join other pension arrangements. Ex-gratia benefits have now ceased accruing for all such employees except in respect of one member. The University currently pays ex-gratia pensions of £419,000 pa.

Notes to the Financial Statements

Note 30 Pension Schemes (continued)

Financial assumptions

The financial assumptions used to calculate scheme liabilities under FRS 17 are as follows:

	At 31st July 2009 %pa	At 31st July 2008 %pa	At 31st July 2007 %pa
Price Inflation	3.70	3.90	3.30
Rate of increase in salaries	4.95	5.40	4.80
Rate of increase of pensions in payment *	3.70	3.90	3.30
Increases to deferred pensions before retirement	3.70	3.90	3.30
Discount rate	6.00	6.40	5.80

* Excluding ex-gratia pensions for non-academics, which are subject to fixed 3% pa increases.

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.

	Males		Females	
	Pensioner	Non-pensioner (currently aged 45)	Pensioner	Non-pensioner (currently aged 45)
At 31st July 2008	19.3	20.2	22.3	23.2
At 31st July 2009	20.7	22.6	23.2	25.0

Scheme assets and expected rate of return for USPS

The expected return on assets has been derived as 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.

	Fair value as at 31st July 2009	Fair value as at 31st July 2008	Fair value as at 31st July 2007	Fair value as at 31st July 2006
	£000	£000	£000	£000
Equities	64,572	66,343	74,545	69,926
Property	2,619	2,542	3,716	-
Corporate Bonds	1,775	1,749	1,114	-
Government Bonds	6,734	6,802	5,639	12,090
Cash	3,155	6,031	7,534	673
	78,855	83,467	92,548	82,689

Notes to the Financial Statements

Note 30 Pension Schemes (continued)

The weighted average expected long-term rates of return were:

	At 31st July 2009 % pa	At 31st July 2008 % pa
	7.84	7.88

Components of defined benefit cost

	Year to 31st July 2009		Year to 31st July 2008	
	USPS	Ex-gratia pensions	USPS	Ex-gratia pensions
	£000	£000	£000	£000
Amounts charged to operating profit:				
Current service cost	6,365	-	5,143	-
Past service costs	107	-	32	-
Total charge to operating profit:	6,472	-	5,175	
Other amounts charged to profit and loss account:				
(Gain)/loss on settlements	-	-	-	-
(Gain)/loss on curtailments	-	-	-	-
Net (gain)/loss charged to profit and loss account	-	-	-	-
Amounts charged to other finance income:				
Interest cost	8,364	313	7,018	303
Expected return on assets	(6,676)	-	(7,001)	-
Net charge to other finance income	1,688	313	17	303
Total profit and loss charge before deduction for tax	8,160	313	5,192	303
Analysis of amounts recognised in STRGL:				
Loss on assets	13,802	-	18,189	-
Experience (gain)/loss on liabilities	(2,338)	127	-	39
Loss/(Gain) on change of assumptions	9,431	160	142	(279)
Total Loss/(Gain) recognised in STRGL before adjustment for tax	20,895	287	18,331	(240)

Notes to the Financial Statements

Note 30 Pension Schemes (continued)

History of experience gains and losses

	Year to 31st July 2009		Year to 31st July 2008		Year to 31st July 2007	
	USPS	Ex-gratia pensions	USPS	Ex-gratia pensions	USPS	Ex-gratia pensions
	£000	£000	£000	£000	£000	£000
Loss/(Gain) on assets:						
Amount (£000)	13,802	-	18,189	-	(769)	-
% of assets as end of year	18%	-	22%	-	1%	-
Experience (Gain)/Loss on liabilities						
Amount (£000)	(2,338)	127	-	39	-	276
% of liabilities at end of year	2%	2%	-	1%	-	5%
Loss/(Gain) on change of assumptions						
Amount (£000)	9,431	160	142	(279)	(9,950)	(201)
Total actuarial Loss/(Gain)						
Amount (£000)	20,895	287	18,331	(240)	(10,719)	75
% of liabilities at end of year	14%	5%	14%	5%	-9%	1%

	Year to 31st July 2006		Year to 31st July 2005	
	USPS	Ex-gratia pensions	USPS	Ex-gratia pensions
	£000	£000	£000	£000
Gain on assets:				
Amount (£000)	(3,725)	-	(7,896)	-
% of assets as end of year	-5%	-	-11%	-
Experience Loss/(Gain) on liabilities				
Amount (£000)	1,889	179	-	(553)
% of liabilities at end of year	2%	3%	-	-10%
Loss/(Gain) on change of assumptions				
Amount (£000)	4,481	20	(1,885)	554
Total actuarial Loss/(Gain)				
Amount (£000)	2,645	199	(9,781)	1
% of liabilities at end of year	2%	4%	-9%	-

Notes to the Financial Statements

Note 30 Pension Schemes (continued)

Cumulative actuarial loss/(gain) recognised in the Statement of Total Recognised Gains and Losses

	At 31st July 2009		At to 31st July 2008	
	USPS	Ex-gratia pensions	USPS	Ex-gratia pensions
	£000	£000	£000	£000
Cumulative actuarial Losses/(Gains) recognised at the start of the year	11,445	356	(6,886)	596
Cumulative actuarial Losses recognised at the end of the year	32,340	643	11,445	356

Reconciliation to balance sheet

	At 31st July 2009		At to 31st July 2008		At 31st July 2007	
	USPS	Ex-gratia pensions	USPS	Ex-gratia pensions	USPS	Ex-gratia pensions
	£000	£000	£000	£000	£000	£000
Scheme assets	78,855		83,467	-	92,548	-
Scheme liabilities	147,481	5,289	129,657	5,096	119,724	5,415
Deficit	(68,626)	(5,289)	(46,190)	(5,096)	(27,176)	(5,415)

Analysis of movement in deficit

	At 31st July 2009		At to 31st July 2008	
	USPS	Ex-gratia pensions	USPS	Ex-gratia pensions
	£000	£000	£000	£000
Deficit at beginning of year	(46,190)	(5,096)	(27,176)	(5,415)
Contributions or benefits paid by University	6,619	407	4,509	382
Current service cost	(6,365)	-	(5,143)	-
Past service cost	(107)	-	(32)	-
Settlement cost	-	-	-	-
Curtailment cost	-	-	-	-
Other finance charge	(1,688)	(313)	(17)	(303)
Loss recognised in STRGL	(20,895)	(287)	(18,331)	240
Deficit at end of year	(68,626)	(5,289)	(46,190)	(5,096)

Notes to the Financial Statements

Note 30 Pension Schemes (continued)

Reconciliation of present value of scheme liabilities

	Year to 31st July 2009		Year to 31st July 2008	
	USPS	Ex-gratia pensions	USPS	Ex-gratia pensions
	£000	£000	£000	£000
Present value of scheme of Scheme liabilities at the start of the year	129,657	5,096	119,724	5,415
Current service cost (net of member contributions)	6,365	-	5,143	-
Past service cost	107	-	32	-
Interest Cost	8,364	313	7,018	303
Actual member contributions (including notional contributions)	249	-	1,423	-
Actuarial loss/(gain)	7,093	287	142	(240)
Actual benefit payments	(4,354)	(407)	(3,825)	(382)
Present value of scheme of Scheme liabilities at the end of the year	147,481	5,289	129,657	5,096

Reconciliation of fair value of Scheme assets

	Year to 31st July 2009		Year to 31st July 2008	
	USPS	Ex-gratia pensions	USPS	Ex-gratia pensions
	£000	£000	£000	£000
Fair value of assets at the start of the year	83,467	-	92,548	-
Expected return on assets	6,676	-	7,001	-
Actuarial loss on assets	(13,802)	-	(18,189)	-
Actual contributions paid by University	6,619	-	4,509	-
Actual member contributions (including notional contributions)	249	-	1,423	-
Actual benefit payments	(4,354)	-	(3,825)	-
Fair value of Scheme assets at the end of the year	78,855	-	83,467	-

Notes to the Financial Statements

Note 30 Pension Schemes (continued)

Amounts included in the fair value of assets at the end of the year

	31st July 2009	31st July 2008
	£000	£000
For each category of the reporting enterprise's own financial instruments	-	-
For any property occupied by the reporting enterprise	-	-

Actual return on Scheme assets

	31st July 2009	31st July 2008
	£000	£000
Expected return on Scheme assets	6,676	7,001
Asset loss	(13,802)	(18,189)
Actual return on Scheme assets	(7,126)	(11,188)

Estimated contributions in the Financial Year starting 1st August 2009

	2009–10
	£000
Estimated contributions paid by the University in the Financial Year 2009–10	8,123
Estimated employee contributions in the Financial Year 2009–10*	-
Estimated total contributions in the Financial Year 2009–10	8,123

*Assumes 100% member take up of Salary Sacrifice arrangement

Notes to the Financial Statements

Note 31 Capital Commitments

	Consolidated and University	
	Year Ended 31st July 2009	Year Ended 31st July 2008
	£000	£000
Commitments Contracted at 31st July	32,825	8,654

Note 32 Financial Commitments

	Consolidated and University	
	Year Ended 31st July 2009	Year Ended 31st July 2008
	£000	£000
Operating lease commitments in respect of buildings and equipment for the 2007–08 financial year, on leases expiring:		
Within one year	164	49
Between two and five years	359	227
Over five years	648	629
	1,171	905

The University has derivative financial instruments for the future sale of US dollars and euros that it has not recognised at fair value as follows:

Forward Extra Transactions (Forward Plus)		
Within one year	148	(103)

A Forward Plus contract is a binding contract which eliminates the premium cost of a standard option contract and provides protection against adverse movement in rates, whilst allowing upside potential up to a pre-agreed trigger rate. If the trigger rate is reached in the underlying spot market in the month prior to expiry the University is locked into exchanging at the pre-agreed protection rate.

As part of the Student Residences Strategy the University entered into a project agreement during 2005–06 with Catalyst Higher Education Sheffield PLC (Catalyst), to build 3,533 new bed spaces, deliver 401 refurbished bed spaces and take over 257 transferred bed spaces. The project will cost £162m and was partly financed by a bond issue by Catalyst of £155m and this project does not form part of the University Balance Sheet. The ownership of the halls of residence has been transferred to Catalyst but under the terms of the land lease will revert to the University after 41 years.

Notes to the Financial Statements

Note 33 University Companies

Subsidiary Companies

epiGenesys Ltd	100.00%	Custom software solutions and web applications
Escafeld Estates Ltd	100.00%	Property disposal for student residences strategy
Farapak Polymers Ltd	100.00%	Innovative packaging solutions
In-Tend Ltd	100.00%	Procurement software
Knowledge Now Ltd	60.00%	Semantic based solutions for knowledge sharing
Risk2Value Ltd	75.00%	Insurance services
Sheffield Advisory Services Ltd	100.00%	University Malaysian office
Sheffield University Enterprises Ltd	100.00%	Commercialisation of University intellectual property
South Yorkshire Education Services Ltd	100.00%	Training services

Subsidiary Companies - Dormant

AMRC Management Ltd	76.00%	Dormant
Auxetics Ltd	100.00%	Dormant
Blade Leasing Co Ltd	100.00%	Dormant
Luminares Ltd	100.00%	Dormant
Sheffield Centre of Sports Medicine	Limited by Guarantee	Dormant
Sheffield International College Ltd	Limited by Guarantee	Dormant
Unisheff Properties Ltd	100.00%	Dormant
University Knowledge Ltd	100.00%	Dormant
Wildfire Snowsports Ltd	100.00%	Dormant
Xsuppress Ltd	100.00%	Dormant

Notes to the Financial Statements

Note 33 University Companies (continued)

Associate Companies

Bethan Ltd	25.00%	Environmental engineering
Blastech Ltd	24.88%	Blast, impact and ballistic testing services
Casatomic Ltd	20.00%	Research & analytical services
Conteque Ltd	24.90%	Novel reinforcement systems for structural concrete
EPTEC Ltd	42.00%	Testing services for research & development
Fusion IP plc	29.59%	Commercialisation of intellectual property
Limit State Ltd	25.01%	Computational limit analysis and software design
Material State Ltd	24.96%	Advanced materials testing and analysis
MyScience Ltd	25.00%	Provision, maintenance & support of the teaching & learning of science
Vulcan Solutions Ltd	35.00%	Structural fire engineering software tool
Webelements Ltd	30.00%	Web publications
White Rose Technology Ltd	40.00%	Investment in new technology companies

The University also has an interest in the following Joint Venture Companies:

N8 Ltd	12.50%	Promotes research and collaborative research between member universities
White Rose Research Ltd	33.33%	Promotes research and collaborative research between member universities
WUN Foundation Ltd	16.70%	Promotes research and distributes e-learning
YHMAN Ltd	12.50%	Procurement, operation and management of a metropolitan area network

Apart from Sheffield Advisory Services Ltd, which is incorporated in Malaysia, all companies are incorporated in Great Britain.

Notes to the Financial Statements

Note 34 Hardship Funds

	Consolidated and University Year Ended 31st July 2009	Year Ended 31st July 2008
	£000	£000
Balance Unspent at 1st August	2	74
Funding Council Grants	480	666
Interest Earned	3	14
Less returned to Funding Council	(2)	(4)
	483	750
Disbursed to Students	(372)	(737)
Interest Used to Publicise	(3)	(10)
Audit Fees	-	(1)
Balance Unspent at 31st July	108	2

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

Notes to the Financial Statements

Note 35 ITT Training Bursaries

	Consolidated and University Year Ended 31st July 2009	Year Ended 31st July 2008
	£000	£000
Balance Unspent at 1st August	58	24
TDA Grant Received	1,040	1,251
	1,098	1,275
Disbursed to Students	(1,072)	(1,217)
Balance Unspent at 31st July	26	58

TDA grants for ITT Bursaries are available solely for students: the University acts only as paying agent. The grants and related disbursements are therefore excluded from the Income and Expenditure Account.

Note 36 TDA Black and Minority Ethnic Recruitment and Retention

	Consolidated and University Year Ended 31st July 2009	Year Ended 31st July 2008
	£000	£000
Balance Unspent at 1st August	4	3
BME Funds Received	4	5
	8	8
Expenditure in the year	(8)	(4)
Balance Unspent at 31st July	-	4

Notes to the Financial Statements

Note 37 Related Party Disclosure

During the year ended 31st July 2009 the University had transactions with a number of organisations which fell within the definition of Related Parties under Financial Reporting Standard 8 "Related Party Disclosures". These include some of the University's subsidiary, associated and joint venture companies, the South Yorkshire Higher Education Development Trust and other organisations and companies. Details of transactions are shown below, where material. In accordance with Financial Reporting Standard 8 "Related Party Disclosures" no disclosure has been made of intra-group transactions and balances emanated on consolidation.

The following cross-memberships with other organisations and companies were also found to exist:

Related Party	Name	Cross Membership
	Dr DE Fletcher	Registrar and Secretary of the University of Sheffield
HESA		Director of HESA
Sheffield International College		Director of Sheffield International College
Sheffield Industrial Museums Trust		Director of Sheffield Industrial Museums Trust
	Mrs KE Riddle	Chairman of University Council, Pro-Chancellor, Member of Finance Committee and Senior Remuneration Committee
Yorkshire & the Humber Strategic H.A.		Chair of Yorkshire & the Humber Strategic Health Authority
Eadon, Lockwood and Riddle		Family member is a Director of Eadon, Lockwood and Riddle
	Mr PW Lee	Member of Finance Committee
Sheffield Church Burgesses Trust		Trustee of Sheffield Church Burgesses Trust
	Mr PN Firth	Member of University Council, Estates Committee, Finance Committee and Senior Remuneration Committee
DLA Piper UK LLP		Partner in DLA Piper UK LLP
Magna Trust		Company Secretary for Magna Trust
	Mr CAJ Biggin	Member of University Council and Member of Finance Committee
Fretwell-Downing Group Ltd		Financial Director of Fretwell-Downing Group Ltd
	Mr RF Tapp	Member of University Council and Member of Audit Committee
Carillion plc		Company Secretary of Carillion plc
	Mr DCA Bradshaw	Member of University Council
Church Burgesses Education Foundation		Trustee of Church Burgesses Education Foundation
South Yorkshire Higher Education Development Trust		Trustee of South Yorkshire Higher Education Development Trust

Notes to the Financial Statements

Note 37 Related Party Disclosure (continued)

Related Party	Name	Cross Membership
	Prof K Burnett	Vice-Chancellor of the University of Sheffield
N8 Ltd		Director of N8 Ltd
South Yorkshire Higher Education Development Trust		Trustee of South Yorkshire Higher Education Development Trust
	Mr AP Pedder	Member of University Council, Senior Remuneration Committee and Audit Committee
Shepherd Building Group		Director of Shepherd Building Group
Sheffield Forgemasters International Ltd		Chairman of Sheffield Forgemasters International Ltd
Metalysis Ltd		Director of Metalysis Ltd
Sheffield NHS Primary Care Trust		Chairman of Sheffield NHS Primary Care Trust
Business Link Yorkshire		Chairman of Business Link Yorkshire
Engineering Employers Federation Ltd		Director of Engineering Employers Federation Ltd
Whirlow Hall Farm Trust		Chairman of Whirlow Hall Farm Trust
Sheffield Theatres Trust		Director of Sheffield Theatres Trust
	Mr MJ Lewis	Member of University Council
Research Libraries UK		Director and Trustee of Research Libraries UK

Notes to the Financial Statements

Note 37 Related Party Disclosure (continued)

Related Party	(Debtors)/Creditors		(Income)/Expenditure Balance at 31st July		Details
	2008-09	2007-08	2009	2008	
	£000	£000	£000	£000	
University Companies					
Blastech Ltd	(30)	(77)	-	(34)	Testing services
EPTEC Ltd	(42)	-	(42)	-	Testing services
Fusion IP plc	(196)	(51)	(11)	(25)	Services related to pipeline agreement and space rental
	-	(30)	-	-	BEM appointment
	(12)	-	(5)	-	Salary recharges
	26	7	-	-	Royalty payments
LimitState Ltd	(30)	-	-	-	Salary recharges
	6	-	-	-	Development charges
N8 Ltd	(821)	(242)	(384)	(242)	Research costs
	288	560	-	140	N8 Research Centre contributions
Sheffield Advisory Services Ltd	103	65	-	-	Salaries and expenses of Malaysian office
Vulcan Solutions Ltd	(6)	(4)	-	(1)	Consultancy fees
WebElements Ltd	4	4	-	1	Sundry items
WUN Foundation Ltd	-	41	-	41	Subscription costs
	10	-	-	-	Contribution to recruitment costs
YHMAN Ltd	(16)	(26)	-	-	Network services charged
	18	18	-	-	Network services paid

Notes to the Financial Statements

Note 37 Related Party Disclosure (continued)

Related Party	(Debtors)/Creditors		(Income)/Expenditure Balance at 31st July		Details
	2008-09	2007-08	2009	2008	
	£000	£000	£000	£000	
Other Organisations and Companies					
Business Link Yorkshire	(1)	(43)	-	-	Sponsorship costs
	-	39	-	-	Consultancy fees
DLA Piper UK LLP	(17)	(166)	-	(2)	Sponsorship fees
	173	78	-	-	Legal advice
Eadon, Lockwood and Riddle	6	13	-	-	Valuation fees
Fretwell-Downing Group Ltd	9	10	-	-	Catering costs
HESA Ltd	(3)	-	-	-	Sponsorship fees
	35	31	3	1	Subscription costs
Metalysis Ltd	(8)	-	(3)	-	Samples analysis
Research Libraries UK	11	-	-	-	Membership costs
Sheffield Church Burgesses Trust	313	314	-	3	Rental costs and licence fees
Sheffield Industrial Museums Trust	30	-	-	-	Subscription costs
Sheffield NHS Primary Care Trust	(114)	(15)	(16)	(11)	Distinction awards
	327	-	6	-	Salary charges
	-	161	-	2	Salary recharges
Yorkshire & the Humber Strategic H.A.	(639)	-	(22)	-	Salary recharges
	-	(3,604)	-	(36)	Education contracts
	-	250	-	-	Education costs

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