



# FINANCIAL STATEMENTS

2005 - 2006

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## Brunel University

### Annual financial report for the year ended 31 July 2006

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#### Scope of the financial statements

The financial statements comprise the consolidated results of the University and its subsidiary undertakings. The University's subsidiary companies consist of Brunel University Services Limited (BUSL), Brunel University Enterprises Limited (BUEL) and Brunel Science Park Limited (BSPL). The University's other subsidiary, Phalarope Limited (in which the University holds a 50.01% stake), ceased trading on 1 November 1999 and subsequent activity has been confined to the collection of receivables and the settlement of the company's liabilities to Brunel University.

BUEL was established to pursue activities that are not open to the University as a charity, principally through the commercial exploitation of assets held by, and generated within, the University, and also the management of the Science Park activity. BUSL traded, until 31 October 2006, as a Library Services company providing library services to Brunel University; it is now a dormant company. BSPL is a dormant company.

Details of the University's majority shareholdings in other companies are set out below:

	Number of shares held	Nominal value	Cost (£)	% of issued share capital
ForceSenSys Ltd	85	£1	85	85%
Purebreathe Limited *	1	£1	1	100%
Synbiogen Limited *	1	£1	1	100%

\* *Dormant from incorporation to 31 July 2006*

#### Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice - Accounting for Further and Higher Education Institutions, and in accordance with applicable Accounting Standards.

#### Results for the year

The Group's consolidated income, expenditure and results for the year to 31 July 2006 are summarised as follows:-

	<b>2005/06</b> <b>£000</b>	2004/05 £000
Income	<b>118,257</b>	109,403
Expenditure	<b>(126,508)</b>	<b>(107,900)</b>
(Deficit)/Surplus before tax & minority interests	<b>(8,251)</b>	1,503
Taxation, sale of goodwill & minority interests	<b>0</b>	0
Income from disposal of assets	<b>4,940</b>	0
Surplus on disposal of assets	<b>0</b>	0
(Deficit)/Surplus attributable to the group	<b>(2,233)</b>	2,197
Deficit attributable to FRS 17 Pension charge	<b>(1,078)</b>	<b>(694)</b>
Depreciation attributable to revaluations	<b>169</b>	169
Realisation of property revaluation gains	<b>0</b>	0
Historical cost (deficit)/surplus	<b>(3,142)</b>	1,672

## **Brunel University**

### **Annual financial report (continued)**

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The Group's total income of £118.26 million grew by 8.1% compared with 7.5% in 2004/05, and the component elements of income and expenditure are shown in the Consolidated Income and Expenditure Account.

The Group's total expenditure of £126.51 million increased by 17.2% compared with 9.8% in 2004/05. Staff costs increased by 17.7% overall, although this includes £2.25 million restructuring costs (£915k in 2004/05). The Group's activities produced a historical cost deficit of £3.14 million, but this includes one-off costs of almost £1 million and an FRS 17 Pension liability of £1.08 million. The deficit has been funded from surpluses generated in previous years, and reflects the University's continued commitment to seek to achieve a successful outcome in the next Research Assessment Exercise.

#### **Capital expenditure**

Capital expenditure on land, buildings and equipment totalled £52 million for the year. The major additions related to new Student Halls of Residence (£24.4m), the further development and refurbishment of the Uxbridge campus (£4.9m), the new Health Building (£7.9m), the new Energy Centre (£3.6m), and the refurbishment of the Central Services Building (£4.5m).

#### **Investment performance**

Since August 2005 the short and medium-term portions of the University's investments have been managed in house. Actual performance of 4.58% for the year outperformed the chosen benchmarks of Average Base Rate (4.50%) and the Financial Times 7 day rate (4.40%).

#### **Borrowings**

Student halls of residence are required to be self-financing. The Group has negotiated a loan facility of £100 million to finance the construction costs of the student halls of residence. Borrowing costs have been fixed through the use of a 40 year interest rate swap arrangement, and this will enable the University to set its rents for the student residences at the lowest possible levels. The University drew down £35 million of this facility during the year.

#### **Future Developments**

In line with the University's Estate Strategy, Council approved the disposal of the Osterley site, and contracts for the sale of the site were signed in February 2004. The University remained in occupation of the site until November 2006. The University has made a considerable investment in the pursuance of its strategy to become a research-led University, and this is envisaged to continue to be a key theme over the coming years.

J McGrath  
Chair of Finance Committee

28 November 2006

## **Brunel University**

### **Corporate Governance**

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The following statement is provided to enable readers of the annual report and accounts of the University to obtain an understanding of the University's governance and legal structure.

The University is an autonomous body established by Royal Charter. Its objects, powers and framework of governance are set out in the Charter and its supporting Statutes, the latest version of which was approved by the Privy Council in May 2005. Like most public bodies it operates within a strong framework of regulation, and endeavours to conduct its business in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership). Not only does the University comply with all mandatory requirements, but it also strives to operate that guidance which represents best practice. The University has adopted the *Guide for Members of Higher Education Governing Bodies in the UK* published in November 2004 by the Committee of University Chairmen.

The Charter and Statutes require the University to have two separate bodies, the Council and the Senate, each with clearly defined functions and responsibilities, to oversee and manage its activities. It may have another body, the Court, which does not have any legal or other powers in respect of the University.

The University's Council is the executive governing body, and is responsible for setting the strategic direction of the University, responsible for the finance, property, investments and general business of the University. It has a majority of members from outside the University (described as independent members), from whom its chair and deputy chair must be drawn. Members also include representatives of the staff of the University, and the student body. None of the independent members receive any payment, apart from the reimbursement of expenses, for the work they do for the University.

The Senate is the academic authority of the University, and draws its membership entirely from the academic staff and the students of the University. Its role is to direct and regulate the teaching and research work of the University.

The principal academic and administrative officer of the University is the Vice-Chancellor, who has a general responsibility to the Council for maintaining and promoting the efficiency and good order of the University. Under the terms of the formal Financial Memorandum between the University and the Higher Education Funding Council for England, the Vice-Chancellor is the accounting officer of the University and, in that capacity, can be summoned to appear before the Public Accounts Committee of the House of Commons.

Council conducts ordinary business at four meetings in each year, and much of its detailed work is initially handled by way of standing committees, in particular the Finance Committee, the Nominations Committee, the Remuneration Committee and the Audit Committee. The decisions of these committees are reported formally to the Council.

These committees, and in some cases others, are formally constituted as committees of the Council, with written terms of reference and specified membership, including a significant proportion of independent members, from whom the chair is selected. In the case of the Audit Committee, it is comprised entirely of independent members appointed by Council from amongst its members, and co-opted independent members appointed by Council. The Chair of Council is ex-officio on all Council and Joint Committees, except the Audit Committee.

As chief executive of the University, the Vice-Chancellor exercises considerable influence upon the development of institutional strategy, the identification and planning of new developments, and shaping of the institutional ethos. The Vice Principal, Pro Vice-Chancellors and the senior administrative officers all contribute in various ways to these aspects of the work, but the ultimate responsibility for what is done rests with the Council.

The University maintains a register of interests of members of the Council and senior officers which may be consulted by arrangement with the University's Secretary and Registrar.

The statutes of the University specify that there shall be a Secretary to Council, who shall be appointed by the Council after it has considered a joint report from the Vice-Chancellor and Chair of the Council. The Secretary shall be responsible to the Council. Any enquiries about the constitution and governance of the University should be addressed to the Secretary to Council.

## **Brunel University Corporate Governance (cont'd)**

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In respect of its strategic and development responsibilities, Council receives recommendations and advice from the Strategic Planning and Review Committee, a joint committee of Council and Senate, the body responsible for the University's academic affairs. The committee's membership includes three independent members appointed by Council from amongst its members.

The Finance Committee supervises all matters relating to the finance, accounts and financial regulations of the University, the investment of its funds, the receipt of its income and the expenditure thereof, and the management of its borrowings. The Finance Committee presents a report to each meeting of Council.

The Nominations Committee, in its recommendations to Council, seeks to ensure diversity, breadth and continuity of expertise amongst the membership of Council. It also undertakes succession planning with respect to the membership and leadership of committees.

The Remuneration Committee reviews and recommends the salary and conditions of service of the Vice-Chancellor and the severance arrangements of higher paid staff as defined from time to time in the Accounts Direction made by the Higher Education Funding Council for England. It also receives a report from the Vice-Chancellor on the performance of the senior management team.

The Audit Committee meets at least three times a year to consider reports from the External and Internal Auditors containing recommendations for the improvement of the University's systems of risk management and internal control and the management's responses and implementation progress. It also receives and considers reports from time to time from the Higher Education Funding Council for England. Whilst executive officers attend meetings of the Audit Committee as necessary, they are not members of the Committee. The Committee meets with the External Auditors and the Internal Auditor on their own for independent discussions at least annually. The Committee and Internal Auditor each present an Annual Report to Council.

Council also appoints members to joint committees with Senate including Strategic Planning and Review Committee and Honorary Degrees Committee. Each of these committees is formally constituted with terms of reference and includes independent members of Council.

The University's Council is responsible for the University's system of internal control and for reviewing its effectiveness. It has established the processes to comply with the direction from the Higher Education Funding Council for England (HEFCE) for the identification, evaluation and management of the key risks facing the University. The Council has responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, whilst safeguarding the public and other funds and assets for which it is responsible, in accordance with the responsibility assigned to the Council in the Charter and Statutes and the Financial Memorandum with HEFCE. Such a system is designed to manage rather than eliminate the risk of failure to achieve business, operational, compliance and financial objectives, and it can therefore only provide reasonable and not absolute assurance of effectiveness.

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.

The Council has adopted a risk management policy, and has identified where the principal management responsibility rests for risk management. The Council is of the view that an ongoing process for identifying, evaluating and managing the University's significant risks has been in place, and operating effectively, since 31 July 2003. A Risk Management Group has been established, whose responsibilities include the commissioning and ongoing maintenance of a risk management strategy, and the identification of the control strategy for each of the significant risks. The Risk Management Group provides to the Audit Committee reports on the progress in implementing the risk strategy, which in turn provides advice to the Council on the effectiveness of the policies, and also monitors the implementation of risk management. The University's internal auditor reviews the adequacy and effectiveness of the risk management process and the system of internal control, makes recommendations for improvement, where needed, and provides regular reports thereon to the Audit Committee.

The internal auditor also provides Council with an independent opinion each year on the adequacy and effectiveness of the University's risk management, control and governance processes. The Council has ensured that the meeting calendar enables risk management and internal control to be considered on a regular basis during the year.

## **Brunel University**

### **Statement of Primary Responsibilities of the Council**

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The principal responsibilities of the Council are as follows:

- 1 to approve the mission and strategic vision of Brunel University, long-term academic and business plans, and key performance indicators, and to ensure that these meet the interests of stakeholders;
- 2 to delegate authority to the Vice-Chancellor, as chief executive, for the academic, corporate, financial, estate and personnel management of the University, and to establish and keep under regular review the policies, procedures and limits within such management functions as shall be undertaken by, and under the authority of, the Vice-Chancellor;
- 3 to ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment, and procedures for handling internal grievances and for managing conflicts of interest;
- 4 to ensure processes are in place to monitor and evaluate the performance and effectiveness of the University against the plans and approved key performance indicators, which should be, where possible and appropriate, benchmarked against other comparable institutions;
- 5 to establish processes to monitor and evaluate the performance and effectiveness of the Council itself;
- 6 to conduct its business in accordance with best practice in higher education corporate governance, and with the principles of public life drawn up by the Committee on Standards in Public Life;
- 7 to safeguard the good name and values of Brunel University;
- 8 to appoint the Vice-Chancellor as chief executive, and to put in place suitable arrangements for monitoring his/her performance;
- 9 to appoint a secretary to the governing body and to ensure that, if the person appointed has managerial responsibilities in the University, there is an appropriate separation in the lines of accountability;
- 10 to be the employing authority for all staff in the University, and to be responsible for establishing a human resources strategy;
- 11 to be the principal financial and business authority of the University, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to have overall responsibility for the University's assets, property and estate;
- 12 to be the University's legal authority and, as such, to ensure that systems are in place for meeting all the University's legal obligations, including those arising from contracts and other legal commitments made in the name of Brunel University;
- 13 to make such provision as it thinks fit for the general welfare of students, in consultation with the Senate;
- 14 to act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the University; and,
- 15 to ensure that the University's constitution (as laid down in the Charter and Statutes) is followed at all times, and that appropriate advice is available to enable this to happen.

## **Council's responsibilities for the Financial Statements**

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In accordance with the University's Royal Charter, the Council of Brunel University is responsible for the administration and management of the affairs of the Group and University and is required to present audited financial statements for each financial year.

The Council is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and University. This enables it to ensure that the financial statements are prepared in accordance with the University's Royal Charter, the Statement of Recommended Practice - Accounting for Further and Higher Education, 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, 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 of the Group and University and of the Group's surplus or deficit and cash flows for that year.

In preparing the financial statements, the Council is required to:

- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and,
- prepare financial statements on the going concern basis unless it is inappropriate to presume that the University will continue in operation. The Council has adopted the going concern basis as it is satisfied that the University has adequate resources to continue in operation for the foreseeable future.

The Council has taken reasonable steps to:

- ensure that funds from the Higher Education Funding Council for England and the Teacher Development Agency are used only for the purposes for which they have been given and in accordance with the Financial Memorandum with the Higher Education Funding Council and the respective Funding Agreement with the other body and with any other conditions which the two bodies 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; and,
- secure the economical, efficient and effective management of the University's resources and expenditure so that the benefits that should be derived from the application of public funds by the Council are not put at risk.

The key elements of the University's system of internal financial control, which is designed to discharge the responsibilities set out above, include the following:

- clear definitions of the responsibilities of, and the authority delegated to, heads of academic, administrative and support departments;
- a comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- regular review of key performance indicators and business risks and of financial results involving variance reporting;
- clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the University Council;
- comprehensive Financial Regulations, promoted by Finance Committee and adopted by Council; and,
- a professional internal audit service with a programme approved by the Audit Committee and whose head provides that committee with a report on internal audit activity that assists it in formulating its opinion on the effectiveness of the University's system of risk management, including internal financial control.

Any system of internal financial control can, however, only provide reasonable, but not absolute, assurance against material misstatement or loss.



## **Independent auditors' report to the Council of Brunel University**

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We have audited the financial statements on pages 13 to 35 (the 'financial statements') of Brunel University and Group for the year ended 31 July 2006 which comprise the consolidated income and expenditure account, the balance sheets, the consolidated cash flow statement, the consolidated statement of total recognised gains and losses and the related notes. These financial statements have been prepared under 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's Council and the auditors**

The University Council's responsibilities for preparing the financial statements in accordance with 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 Statement of Responsibilities on page 6. 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 University's statutes and, where appropriate, with the financial memorandum effective 1 October 2003 with the Higher Education Funding Council for England and with the funding agreement with the Teacher Development Agency respectively.

We also report to you if, in our opinion, the Council Report is consistent with the financial statements, if 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 Members' 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 audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board and the 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 judgements 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 that 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.

## **Independent auditors' report to the Council of Brunel University (cont'd)**

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### **Opinion**

In our opinion:

- i. the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of affairs of the University and the Group at 31 July 2006, and of the Group's excess of expenditure over income for the year then ended;
- ii. the financial statements have been properly prepared in accordance with the Statement of Recommended Practice - Accounting for Further and Higher Education;
- iii. in all material respects, income from the Higher Education Funding Council for England and the Teacher Development Agency, and grants and income for specific purposes and from other restricted funds administered by the University during the year ended 31 July 2006 have been applied for the purposes for which they were received; and,
- iv. in all material respects, income received during the year ended 31 July 2006 has been applied in accordance with the University's Statutes and, where appropriate, with the financial memorandum effective 1 October 2003 with the Higher Education Funding Council for England and the funding agreement with the Teacher Development Agency.

KPMG LLP  
Chartered Accountants and Registered Auditors  
Birmingham

December 2006

## **Brunel University**

### **Statement of principal accounting policies**

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#### **Basis of preparation**

These financial statements have been prepared in accordance with both the Statement of Recommended Practice - Accounting for Further and Higher Education Institutions (SORP) and applicable United Kingdom Accounting Standards.

#### **Basis of accounting**

The financial statements are prepared under the historical cost convention modified by the revaluation of certain fixed assets and investments.

#### **Basis of consolidation**

The consolidated financial statements consolidate the financial statements of the University and its subsidiary undertakings for the financial year to 31 July. Intra-group sales and profits are eliminated fully on consolidation. The consolidated financial statements do not include those of the Union of Brunel Students as it is a separate body in which the University has no direct financial interest nor has it control or significant influence over policy decisions.

#### **Recognition of income**

Income from research grants and contracts and other services rendered is included to the extent of the completion of the contract or service concerned. This is generally equivalent to the sum of the relevant expenditure incurred during the year and any related contributions towards overhead costs. Such income that was earned, but not invoiced, at the year end is included as accrued income.

All income from investments is credited to the Income and Expenditure Account on a receivable basis. Income from specific endowments not expended in accordance with the restrictions of the endowment is transferred from the income and expenditure account to Specific Endowments.

Recurrent grants from funding councils are recognised in the period in which they are receivable. Non-recurrent grants from funding councils or other bodies received in respect of the acquisition or construction of fixed assets are treated as deferred capital grants and amortised in line with depreciation over the useful economic life of the assets. Specific grants from funding councils are recognised to the extent of the relevant expenditure incurred during the year, together with any related contributions to overhead costs, or when the related terms and conditions of the grants have been fully satisfied.

#### **Maintenance of premises**

The University has a long-term maintenance programme which is periodically reviewed and for which sums are set aside on a regular basis. The programme covers both major cyclical activities and major maintenance costs expected to occur on an irregular basis. Both long-term and routine corrective maintenance is charged to the income and expenditure account as incurred, unless it is classified as a capital asset under FRS 15.

#### **Foreign currency translation**

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 into sterling at year-end rates. The resulting exchange differences are dealt with in the determination of income and expenditure for the financial year.

## **Brunel University**

### **Statement of principal accounting policies (continued)**

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#### **Pension schemes**

Retirement benefits for the University's staff are provided by the Universities' Superannuation Scheme, the Teachers' Pension Scheme and the London Pensions Fund Authority Pension Fund. These are defined benefit schemes, each of which is described further in the Notes to the Accounts. Pension costs are assessed on the latest published actuarial valuations of the schemes and are accounted for on the basis of charging the cost of providing pensions over the period during which the University benefits from the employees' services. Unless it is considered prudent to recognise deficiencies over a shorter period, variations from regular cost are spread over the average remaining working lifetime of members of the schemes after making allowances for future withdrawals.

#### **Tangible fixed assets**

##### **a Land and buildings**

Land and buildings are stated at cost or, in the case of buildings for which the cost cannot readily be ascertained, at valuation. The basis of valuation is depreciated replacement cost and the valuation of the Osterley campus as at 31 January 1995 was performed by Drivers Jonas, Chartered Surveyors. Land is held freehold and is not depreciated as it is considered to have an indefinite useful life. Buildings are depreciated over their expected useful economic lives of fifty years except in the case of certain temporary structures which warrant a shorter period. Improvements to leasehold premises are amortised over the period of the lease.

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 economic life of the related asset on a basis consistent with the depreciation policy.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable, whether through the economic benefits of use or through disposal.

Buildings under construction are accounted for at cost, based on the value of architects' certificates and other direct costs incurred to 31 July. They are not depreciated until the accounting period in which they are brought into use.

##### **b Equipment**

Equipment costing less than £10,000 per individual item or group of related items is written off to the income and expenditure account in the year of acquisition. All other equipment is capitalised at cost. Capitalised equipment is depreciated over its expected useful economic life, as follows:

Furniture, printing and catering equipment	-	10 years
Telephone and security equipment	-	7 years
File servers and other central computing equipment, office equipment, other academic equipment	-	5 years
Motor vehicles	-	4 years
Groups of public domain and other personal computers	-	3 years
Equipment acquired for research projects	-	project life

Where equipment is acquired with the aid of specific grants it is capitalised and depreciated in accordance with the above policy. The related grant is treated as a deferred capital grant and released to income and expenditure account over the expected useful economic life of the equipment (the period of the grant in respect of sponsored research projects).

##### **c Books**

The cost of book purchases is written off in the group accounts in the year of acquisition.

## **Brunel University**

### **Statement of principal accounting policies (continued)**

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#### **Leased assets**

Fixed assets held under finance leases and the related lease obligations are recorded in the Balance Sheet at the fair value of the leased assets at the inception of the lease. The excess of lease payments over recorded lease obligations are treated as finance charges which are amortised and charged to the income and expenditure account over the shorter of the lease term or the useful economic life of equivalent owned assets to give a constant rate of charge on the remaining balance of the obligations.

#### **Investments**

Fixed asset investments that are not listed on a recognised stock exchange are carried at historical cost less any provision for impairment in their value.

Endowment asset investments are stated at market value, and current asset investments are stated at the lower of cost or net realisable value.

#### **Stocks**

Stocks are stated at the lower of cost and net realisable value.

#### **Cash flows and liquid resources**

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

Liquid resources comprise assets held as a readily disposable store of value. They include term deposits, government securities, certificates of deposit and loan stock held as part of the University's treasury management activities. They exclude any such assets held as Endowment Asset Investments.

#### **Provisions**

Provisions are recognised when the University has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

#### **Taxation status**

The University is an exempt charity within the meaning of Schedule 2 to the Charities Act 1993 and as such is a charity within the meaning of Section 506(1) of the Taxes Act 1988. Accordingly the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by Section 505 of the Taxes Act 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.

The University receives no similar exemption in respect of Value Added Tax (VAT). Irrecoverable VAT is included within the appropriate expenditure heading. The University's subsidiary companies are subject to Corporation Tax and VAT in the same way as any other commercial organisation.

#### **Post retirement benefits**

The University is a member of a pension scheme providing benefits based on final pensionable salary. The assets of the scheme are held separately from those of the University. Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The pension scheme surplus, to the extent that it is recoverable, or deficit is recognised in full. The movement in the scheme surplus/deficit is split between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses.

## Consolidated income and expenditure account for the year ended 31 July 2006

		2005-06 £000	2004-05 £000
<b>Income</b>			
Funding Council grants	1	48,302	45,979
Tuition fees and education contracts	2	33,145	31,186
Research grants and contracts	3	11,385	8,622
Other income	4	24,645	21,727
Endowment and investment income	5	780	1,889
<b>Total income</b>		<b>118,257</b>	<b>109,403</b>
<b>Expenditure</b>			
Staff costs	6	73,426	62,377
Other operating expenses	7	43,887	39,066
Depreciation	12	6,712	5,062
Interest payable	8	2,483	1,395
<b>Total expenditure</b>		<b>126,508</b>	<b>107,900</b>
(Deficit)/Surplus on continuing operations after depreciation of fixed assets at valuation and before taxation	11	(8,251)	1,503
Income from disposal of assets		4,940	0
(Deficit)/Surplus on continuing operations after depreciation of fixed assets at valuation and disposal of assets but before taxation		(3,311)	1,503
Taxation recoverable/(payable)	10	0	0
<b>(Deficit)/Surplus on continuing operations after depreciation of fixed assets at valuation, disposal of assets and taxation</b>	<b>25</b>	<b>(3,311)</b>	<b>1,503</b>
<b>(Deficit)/Surplus for the year retained within general reserves</b>		<b>(3,311)</b>	<b>1,503</b>

All results are from continuing operations.

### Note of historical cost surplus for the year ended 31 July 2006

	Note	Group 2005-06 £000	Group 2004-05 £000
(Deficit)/Surplus on continuing operations after depreciation of fixed assets at valuation and disposal of assets but before taxation		(3,311)	1,503
Difference between historical cost depreciation and the actual charge calculated on the revalued amount	24	169	169
Realisation of property revaluation gains of previous years	24	0	0
<b>Historical cost (deficit)/surplus before taxation</b>		<b>(3,142)</b>	<b>1,672</b>
<b>Historical cost (deficit)/surplus after taxation</b>		<b>(3,142)</b>	<b>1,672</b>

**Consolidated statement of total recognised gains and losses**  
for the year ended 31 July 2006

		2005-06	2004-05
	Note	£000	£000
(Deficit)/Surplus on continuing operations after depreciation of fixed assets at valuation, disposal of assets and taxation	25	<b>(3,311)</b>	1,503
Net income from endowments	23	<b>(80)</b>	<b>(109)</b>
Appreciation in endowment asset investment values	23	<b>5</b>	32
New endowments	23	<b>102</b>	143
Actuarial loss in respect of pension scheme	32	<b>(255)</b>	<b>(6,126)</b>
<b>Total recognised losses relating to the year</b>		<b>(3,539)</b>	<b>(4,557)</b>
<b>Reconciliation</b>			
Opening reserves and endowments excluding pension scheme		115,177	112,914
Deficit on pension scheme at 1 August		<b>(18,948)</b>	<b>(12,128)</b>
Total recognised losses for the year		<b>(3,539)</b>	<b>(4,557)</b>
<b>Closing reserves and endowments</b>		<b>92,690</b>	96,229

**Balance sheets**

as at 31 July 2006

	Note	Group		University	
		2006	2005	2006	2005
		£000	£000	£000	£000
<b>Fixed assets</b>					
Tangible fixed assets	12	199,642	168,359	191,007	159,697
Investments	13	123	98	33	33
		<u>199,765</u>	<u>168,457</u>	<u>191,040</u>	<u>159,730</u>
<b>Endowment assets</b>	14	1,863	1,836	1,863	1,836
<b>Current assets</b>					
Stock	15	95	86	80	71
Debtors	16	12,540	11,691	21,308	19,630
Investments	17	15,172	8,188	15,172	8,188
Cash at bank and in hand		92	4,182	0	4,172
		<u>27,899</u>	<u>24,147</u>	<u>36,560</u>	<u>32,061</u>
<b>Creditors:</b>					
amounts falling due within one year	18	(32,439)	(31,718)	(31,314)	(30,072)
<b>Net current assets/(liabilities)</b>		<u>(4,540)</u>	<u>(7,571)</u>	<u>5,246</u>	<u>1,989</u>
<b>Total assets less current liabilities</b>		<u>197,088</u>	<u>162,722</u>	<u>198,149</u>	<u>163,555</u>
<b>Creditors:</b>					
amounts falling due after more than one year	19	(59,249)	(22,784)	(59,244)	(22,779)
<b>Provisions for liabilities and charges</b>	21	(1,103)	(1,171)	(1,103)	(1,171)
<b>Net assets excluding pension liability</b>		<u>136,736</u>	<u>138,767</u>	<u>137,802</u>	<u>139,605</u>
<b>Pension liability</b>	32	(20,282)	(18,948)	(20,282)	(18,948)
<b>Net assets including pension liability</b>		<u>116,454</u>	<u>119,819</u>	<u>117,520</u>	<u>120,657</u>
<b>Deferred capital grants</b>	22	23,764	23,590	23,764	23,590
<b>Endowments</b>					
Specific	23	1,288	1,272	1,288	1,272
General	23	575	564	575	564
		<u>1,863</u>	<u>1,836</u>	<u>1,863</u>	<u>1,836</u>
<b>Reserves</b>					
Revaluation reserve	24	12,242	12,410	12,242	12,410
Income and expenditure reserve excluding pension liability	25	98,867	100,931	99,933	101,769
Pension reserve	41	(20,282)	(18,948)	(20,282)	(18,948)
Income and expenditure reserve including pension liability		<u>78,585</u>	<u>81,983</u>	<u>79,651</u>	<u>82,821</u>
<b>Total funds</b>		<u>116,454</u>	<u>119,819</u>	<u>117,520</u>	<u>120,657</u>

The financial statements on pages 10 to 35 were approved by the Council on 20 December 2006 and signed on its behalf by:

T Webb  
Deputy Chair of Council

Prof. C Jenks  
Vice-Chancellor  
& Principal

Dr. T Holloway  
Director of Finance



**Consolidated cash flow statement**  
for the year ended 31 July 2006

	Note	2005-06 £000	2004-05 £000
Cash flow from operating activities	26	<b>(1,867)</b>	15,401
Returns on investments and servicing of finance	27	<b>(1,703)</b>	628
Taxation	10	<b>0</b>	0
Capital expenditure and financial investment	28	<b>(45,029)</b>	<b>(46,661)</b>
Management of liquid resources	29	<b>7,251</b>	24,861
Financing	30	<b>36,665</b>	<b>(230)</b>
Decrease in cash for the period	31	<b><u>(4,683)</u></b>	<b><u>(6,001)</u></b>

**Reconciliation of net cash flow to movement in net debt**

Decrease in cash for the period	31	<b>(4,683)</b>	<b>(6,001)</b>
Increase in endowment asset investments	31	<b>22</b>	34
Cash inflow from liquid resources	31	<b>(7,251)</b>	<b>(24,861)</b>
(New loans)/Cash used to decrease loans	31	<b>(36,665)</b>	230
Non-cash changes	31	<b>14,240</b>	58
Change in net debt		<b><u>(34,337)</u></b>	<b><u>(30,540)</u></b>
Opening net (debt)/funds at 1 August	31	<b>(9,118)</b>	21,422
Closing net debt at 31 July	31	<b><u>(43,455)</u></b>	<b><u>(9,118)</u></b>

**Notes to the accounts**

	2005-06 £000	2004-05 £000
<b>1 Funding Council grants</b>		
Recurrent grant		
Higher Education Funding Council for England	41,367	39,701
Teacher Development Agency	2,540	2,735
Learning and Skills Council	0	7
Specific grants (HEFCE)		
HE Reach out to Business & Community	0	25
Learning & teaching development	155	170
Rewarding & Developing Staff	373	214
Higher Education Innovation Fund	1,959	1,308
Joint Information Systems Committee	0	0
Other grants	655	354
Specific grants (TDA)		
Other grants	109	207
Specific grants (LSC)		
Other grants	0	0
Deferred capital grants released in year		
Buildings	691	761
Equipment	453	497
	<u>48,302</u>	<u>45,979</u>
<b>2 Tuition fees and education contracts</b>		
Full-time students charged home fees	11,492	11,464
Full-time students charged overseas fees	12,644	11,203
Part-time fees	2,479	2,614
Doctoral Training Grant *	180	79
Research training support grants	15	10
Short course fees	877	581
Other fees	61	0
NHS education contracts	5,397	5,235
	<u>33,145</u>	<u>31,186</u>
	<u>33,145</u>	<u>31,186</u>
* Doctoral Training Grant previously shown in Note 3		
<b>3 Research grants and contracts</b>		
OST Research Councils	4,705	3,222
UK-based charities	285	439
UK central & local govt., health & hospital authorities	2,970	2,325
UK industry, commerce & public corporations	891	879
European Commission	1,445	1,218
EU other	121	42
Other overseas	175	66
Other sources	793	431
	<u>11,385</u>	<u>8,622</u>
	<u>11,385</u>	<u>8,622</u>

**Notes to the accounts**

	2005-06 £000	2004-05 £000
<b>4 Other income</b>		
Residences, catering and conferences	16,565	14,444
Science Park	787	613
Libraries	130	45
Sports Centre	671	563
Rent and room hire	121	341
Released from deferred capital grants	69	202
Other services rendered	642	737
Other income	5,660	4,782
	<u>24,645</u>	<u>21,727</u>

**5 Endowment and investment income**

Transferred from specific endowments	53	56
Income from general endowment asset investments	24	27
Income from current asset investments	703	1,806
	<u>780</u>	<u>1,889</u>

**6 Staff numbers and costs**

	Number	Number
Average staff numbers during the year by major category:		
Academic and hourly paid lecturers	909	866
Technical	79	80
Administrative & academic support	331	285
Other, including clerical and manual	1,104	1,006
	<u>2,423</u>	<u>2,237</u>

Staff numbers are based on headcount, and other staff numbers for 2005-06 include students recruited through the University's Job Shop.

	£000	£000
Staff costs for the above persons:		
Wages and salaries	58,449	50,606
Social security costs	5,170	4,397
Contributions to occupational pension schemes	6,765	5,899
Pension liabilities	791	560
Restructuring costs	2,251	915
	<u>73,426</u>	<u>62,377</u>

	£000	£000
Employment costs for staff on permanent contracts	54,621	60,902
Employment costs for staff on short-term contracts	15,763	0
Pension liabilities	791	560
Restructuring costs	2,251	915
	<u>73,426</u>	<u>62,377</u>

**Notes to the accounts**

**6 Staff numbers and costs (cont'd)**

Emoluments of the Vice-Chancellor, excluding employer's National Insurance Contributions, were:

	<b>2005-06</b>				2004-05
	<b>Former</b>	<b>Interim</b>	<b>Current</b>	<b>Total</b>	
	<b>(Aug-Dec)</b>	<b>(Oct-Feb)</b>	<b>(Feb-July)</b>		£000
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	
Salary	75	63	83	221	166
Performance related pay	0	0	6	6	12
Cash equivalent benefit in kind (car)	4	0	0	4	10
Other benefits in kind (accommodation and private health insurance)	6	0	0	6	8
	<b>85</b>	<b>63</b>	<b>89</b>	<b>237</b>	196
Pension contributions	11	9	12	32	25
	<b>96</b>	<b>72</b>	<b>101</b>	<b>269</b>	221

The emoluments of the Vice-Chancellor are shown on the same basis as for higher paid staff. For 2005-06, the emoluments shown are for the former, interim and current post holders. The University's pension contributions to USS are paid at the same rates as for other academic staff. A contribution equivalent to the USS rate was made into the personal pension plan of the former Vice-Chancellor.

The number of staff, including the former, interim and current Vice Chancellors, who received emoluments, excluding employer's pension contributions, in the following ranges was:

	<b>2005-06</b>	2004-05
£70,000 - £79,999	32	26
£80,000 - £89,999	15	11
£90,000 - £99,999	4	3
£100,000 - £109,999	5	2
£110,000 - £119,999	3	1
£120,000 - £129,999	2	1
£130,000 - £139,999	0	1
£140,000 - £149,999	3	0
£150,000 - £159,999	0	1

**7 Other operating expenses**

	<b>2005-06</b>	2004-05
	<b>£000</b>	£000
External staffing and services	<b>4,906</b>	3,910
I.T. expenditure (hardware and software) not capitalised	<b>3,631</b>	2,899
Equipment and furniture not capitalised	<b>2,917</b>	2,622
Books, periodicals and electronic resources	<b>2,756</b>	2,442
Fellowships, scholarships and prizes	<b>3,538</b>	2,823
Courses, conferences, travel and subsistence	<b>4,491</b>	3,516
Subscriptions and professional fees	<b>3,545</b>	2,706
Advertising	<b>727</b>	655
Consumables	<b>1,524</b>	1,007
Rent and rates	<b>1,442</b>	1,445

Notes to the accounts

	2005-06 £000	2004-05 £000
<b>7 Other operating expenses (cont)</b>		
Heat, light, power and water	3,237	2,279
Repairs and maintenance	4,294	4,361
Premises costs	1,759	2,022
Telephones and postage	754	818
Catering supplies	1,261	1,094
Grants to Union of Brunel Students	840	795
Auditors' remuneration - external audit *	42	51
- internal audit	42	45
Insurance	604	535
Contribution to provisions	4	1,703
Other expenditure	1,573	1,338
	<u>43,887</u>	<u>39,066</u>

\*includes £38,129 (£41,595 for 2005/06 less £3,466 over provision for 2004/05) in respect of the University (2004/05 £47,210)

**8 Interest payable**

Loans wholly repayable by instalments within five years	4	7
Loans wholly repayable by instalments after five years	2,192	1,254
Net loss on pension scheme	287	134
	<u>2,483</u>	<u>1,395</u>

**9 Analysis of 2005-06 expenditure by activity**

	Staff costs £000	Other operating expenses £000	Dep'n £000	Interest payable £000	Total £000
Academic departments	40,737	10,651	696	0	52,084
Academic services	5,024	5,825	392	15	11,256
Research grants and contracts	5,499	5,003	285	0	10,787
Residences, catering, conferences & Science Park	5,241	7,088	1,552	2,170	16,051
Premises	3,880	8,188	3,458	0	15,526
Administration	7,519	4,792	299	4	12,614
Other services	5,526	2,340	30	294	8,190
Total per Income and Expenditure Account	<u>73,426</u>	<u>43,887</u>	<u>6,712</u>	<u>2,483</u>	<u>126,508</u>

The depreciation charge has been funded by:

Deferred capital grants released (Note 22)	1,499
Revaluation reserve released (Note 24)	169
General income	5,044
	<u>6,712</u>

**10 Taxation**

UK corporation tax (recoverable)/payable on the profits of and by Brunel University Enterprises Ltd group

<u>0</u>	<u>0</u>
----------	----------

**11 (Deficit)/Surplus on continuing operations**

The (deficit)/surplus on continuing operations for the year is made up as follows:

University (deficit)/surplus for the year	(8,023)	1,553
Surplus on sale of asset	0	0
Retained deficit generated by the subsidiary undertakings	(228)	(50)
Surplus generated by the subsidiary undertakings and transferred to the University by Gift Aid	0	0
	<u>(8,251)</u>	<u>1,503</u>

Notes to the accounts

12 Tangible fixed assets

Group

	Land & buildings £000	Assets under construction £000	Equipment £000	Total £000
<b>Cost or Valuation</b>				
At 1 August 2005:				
Valuation	14,435	0	0	14,435
Cost	120,264	55,627	11,002	186,893
Less disposals in year	0	0	0	0
Additions at cost	0	51,966	264	52,230
Transfers between accounts	59,264	(60,805)	1,541	0
Transfer to current asset investments	(16,800)	(272)	0	(17,072)
At 31 July 2006:				
Valuation	14,435	0	0	14,435
Cost	162,728	46,516	12,807	222,051
<b>Depreciation</b>				
At 1 August 2005	25,632	0	7,337	32,969
Charge for the year	4,931	0	1,781	6,712
Eliminated in respect of disposals	0	0	0	0
Transfer to current asset investments	(2,837)	0	0	(2,837)
At 31 July 2006	27,726	0	9,118	36,844
<b>Net book value at 31 July 2006</b>	<b>149,437</b>	<b>46,516</b>	<b>3,689</b>	<b>199,642</b>
Net book value at 1 August 2005	109,067	55,627	3,665	168,359
Inherited	12,242	0	0	12,242
Financed by capital grant	15,922	4,797	3,045	23,764
Other	121,273	41,719	644	163,636
<b>Net book value at 31 July 2006</b>	<b>149,437</b>	<b>46,516</b>	<b>3,689</b>	<b>199,642</b>

The transitional rules set out in FRS15 - Tangible Fixed Assets - have been applied and accordingly, the book values at implementation have been retained.

Land and buildings with net book value of £28.86 million have been financed by exchequer funds. It is a condition of funding imposed by the Secretary of State and the Treasury that no transaction involving these assets should be entered into without the prior approval of the Higher Education Funding Council for England.

Notes to the accounts

12 Tangible fixed assets (cont)

University

	Land & buildings £000	Assets under construction £000	Equipment £000	Total £000
<b>Cost or Valuation</b>				
At 1 August 2005:				
Valuation	14,435	0	0	14,435
Cost	111,421	55,627	11,002	178,050
Less disposals in year	0	0	0	0
Additions at cost	0	51,966	0	51,966
Transfers between accounts	59,475	(60,805)	1,330	0
Transfer to current asset investments	(16,800)	(272)	0	(17,072)
At 31 July 2006:				
Valuation	<u>14,435</u>	<u>0</u>	<u>0</u>	<u>14,435</u>
Cost	<u>154,096</u>	<u>46,516</u>	<u>12,332</u>	<u>212,944</u>
<b>Depreciation</b>				
At 1 August 2005				
Charge for the year	4,762	0	1,659	6,421
Eliminated in respect of disposals	0	0	0	0
Transfer to current asset investments	(2,837)	0	0	(2,837)
At 31 July 2006				
	<u>27,380</u>	<u>0</u>	<u>8,992</u>	<u>36,372</u>
<b>Net book value at 31 July 2006</b>	<u>141,151</u>	<u>46,516</u>	<u>3,340</u>	<u>191,007</u>
Net book value at 1 August 2005	<u>100,401</u>	<u>55,627</u>	<u>3,669</u>	<u>159,697</u>
Inherited	12,242	0	0	12,242
Financed by capital grant	15,922	4,797	3,045	23,764
Other	112,987	41,719	295	155,001
<b>Net book value at 31 July 2006</b>	<u>141,151</u>	<u>46,516</u>	<u>3,340</u>	<u>191,007</u>

Notes to the accounts

	Group		University	
	2006 £000	2005 £000	2006 £000	2005 £000
<b>13 Fixed asset investments</b>				
Investment in CVCP Properties plc	33	33	33	33
Investment in associated companies	90	65	0	0
	<b>123</b>	<b>98</b>	<b>33</b>	<b>33</b>

Details of the University's majority shareholdings are set out on page 2. The University's wholly owned subsidiary, Brunel University Enterprises Ltd, has the following minority shareholdings in companies incorporated in England and Wales:

Company	Number of shares held	Nominal value	Cost	% of issued share capital
Ability Products Limited ( <i>development of medical instrumentation</i> )	5	£1	£5	33.33%
Active Fasteners Limited ( <i>commercialisation of active disassembly technology</i> )	35	20p	£7	45.45%
Advanced Acoustic Emissions ( <i>development of early fault detection</i> )	98	£1	£98	49%
BioRegional MiniMills (UK) Limited ( <i>development of small scale clean technology</i> )	2	£1	£2	0.5%
Cascade Fund Management Limited ( <i>provision of start-up finance</i> )	20	£1	£20	20%
Dynamic Extractions Limited ( <i>development of pharmaceutical processing equipment</i> )	224	20p	£35,000	24.9%
Extansys Limited ( <i>development of legacy system management software</i> )	24	£1	£24	30.4%
FlexnLok Ltd ( <i>development of articulated polymer structures</i> )	375	10p	£37.50	37.5%
ForceSenSys ( <i>development of multi-beam resonating sensor technology</i> )	500	1p	£25,000	13.886%
Lifelab Innovations Limited ( <i>development of technology in respiratory physiology</i> )	20,000	£1	£20,000	25.2%
Performance Brunel ( <i>development of analysis of sporting performance</i> )	13	£1	£13	43.33%
Polymus Ltd ( <i>development of plastic actuators</i> )	15	£1	£10,000	10%
R.T. Circuits Ltd ( <i>development of lithographic circuits</i> ) (see Note)	6,667	50p	£0	0.2%

Note: R.T. Circuits Ltd is in liquidation and the shares cost £9,999

14 Endowment assets

	Group and University	
	2006 £000	2005 £000
Valuation at 1 August 2005	1,836	1,770
Additions	179	226
Disposals	(157)	(192)
Increase in endowment asset investment values	5	32
Valuation at 31 July 2006	<b>1,863</b>	<b>1,836</b>

Endowment asset investments are stated net of impairment of £Nil.

15 Stock

	Group		University	
	2006 £000	2005 £000	2006 £000	2005 £000
Stock	95	86	80	71

16 Debtors

	Group		University	
	2006 £000	2005 £000	2006 £000	2005 £000
<b>Amounts falling due within one year:</b>				
Debtors	9,540	7,765	8,387	6,794
Taxation and social security	0	0	0	0
Amounts owed by group undertakings	0	0	10,287	9,197
Prepayments and accrued income	2,797	3,754	2,634	3,639
	<b>12,337</b>	<b>11,519</b>	<b>21,308</b>	<b>19,630</b>
<b>Amounts falling due after one year:</b>				
Loans	203	172	0	0
	<b>12,540</b>	<b>11,691</b>	<b>21,308</b>	<b>19,630</b>

17 Current asset investments

	Group and University	
	2006 £000	2005 £000
U K Government securities	0	2,990
Eurosterling bonds	0	198
Certificates of Deposit	0	0
Money market deposits	937	5,000
Assets held for disposal *	14,235	0
	<b>15,172</b>	<b>8,188</b>

Current asset investments are stated net of impairment of £Nil.  
\* Osterley and East Burnham Lodge



**Notes to the accounts**

<b>18 Creditors: amounts falling due within one year</b>	<b>Group</b>		<b>University</b>	
	<b>2006</b>	2005	<b>2006</b>	2005
	<b>£000</b>	£000	<b>£000</b>	£000
Bank loans	<b>691</b>	491	<b>691</b>	491
Overdrafts	<b>642</b>	49	<b>286</b>	0
Inherited liabilities	<b>0</b>	0	<b>0</b>	0
Trade creditors	<b>10,956</b>	14,582	<b>10,394</b>	13,277
Amounts due to group undertakings	<b>0</b>	0	<b>0</b>	0
Taxation and social security	<b>1,774</b>	44	<b>1,762</b>	22
Accruals and deferred income *	<b>18,376</b>	16,552	<b>18,181</b>	16,282
	<b>32,439</b>	31,718	<b>31,314</b>	30,072

\* includes a payment in advance of £3 million as a deposit on the proposed sale of the Osterley campus and £20k in respect of unspent Minority Ethnic Recruitment (MER) funds received from the Teacher Development Agency.

**19 Creditors: amounts falling due after more than one year**

Bank loans	<b>59,094</b>	22,657	<b>59,094</b>	22,657
Other loans	<b>150</b>	122	<b>150</b>	122
Inherited liabilities	<b>5</b>	5	<b>0</b>	0
	<b>59,249</b>	22,784	<b>59,244</b>	22,779

**20 Borrowings**

Bank loans and overdrafts are repayable as follows:

In one year or less	<b>1,128</b>	540	<b>772</b>	491
Between one and two years	<b>547</b>	517	<b>547</b>	517
Between two and five years	<b>1,829</b>	1,723	<b>1,829</b>	1,723
After five years	<b>56,923</b>	20,417	<b>56,923</b>	20,417
	<b>60,427</b>	23,197	<b>60,071</b>	23,148

Inherited liabilities are repayable as follows:

In one year or less	<b>0</b>	0	<b>0</b>	0
Between one and two years	<b>5</b>	5	<b>0</b>	0
Between two and five years	<b>0</b>	0	<b>0</b>	0
After five years	<b>0</b>	0	<b>0</b>	0
	<b>5</b>	5	<b>0</b>	0

Bank loans, including mortgages, are secured on various freehold properties of the University which have an asset value of £69.46 million.

Notes to the accounts

**21 Provisions for liabilities and charges**

	Group and University Pensions- related £000
At 1 August 2005	1,171
Expenditure in the year	(68)
Transferred from income and expenditure account	0
At 31 July 2006	<u>1,103</u>

*All provisions relate to the University.*

**22 Deferred capital grants**

	Group and University		
	Funding Councils £000	Other grants & benefactions £000	Total £000
At 1 August 2005:			
Land and buildings	16,468	2,703	19,171
Equipment	4,223	196	4,419
	<u>20,691</u>	<u>2,899</u>	<u>23,590</u>
Cash received:			
Land and buildings	1,194	0	1,194
Equipment	758	334	1,092
	<u>1,952</u>	<u>334</u>	<u>2,286</u>
Released to Income and Expenditure Account:			
Land and buildings	692	68	760
Equipment	453	286	739
	<u>1,145</u>	<u>354</u>	<u>1,499</u>
Transferred to Creditors - land and buildings held for disposal	296	317	613
At 31 July 2006:			
Land and buildings	16,674	2,318	18,992
Equipment	4,528	244	4,772
	<u>21,202</u>	<u>2,562</u>	<u>23,764</u>

*All deferred capital grants relate to the University.*

**23 Endowments**

	Group and University		
	Specific £000	General £000	Total £000
At 1 August 2005	1,272	564	1,836
Additions	96	6	102
Transfers	(20)	20	0
Increase in endowment asset investment values	4	1	5
Investment income and appreciation	53	24	77
Release to Income and Expenditure Account	(117)	(40)	(157)
At 31 July 2006	<u>1,288</u>	<u>575</u>	<u>1,863</u>

## Notes to the accounts

### 23 Endowments (cont'd)

	Group and University		
	Specific £000	General £000	Total £000
Scholarship funds	762	0	762
Chairs and lectureships funds	108	0	108
Prize funds	89	0	89
Other funds	329	575	904
<b>Total</b>	<b>1,288</b>	<b>575</b>	<b>1,863</b>

All endowments relate to the University.

### 24 Revaluation reserve

	Group £000	University £000
At 1 August 2005	12,411	12,411
Eliminated in respect of disposal	0	0
Transfer to income and expenditure reserve in respect of depreciation on revalued assets	(169)	(169)
<b>At 31 July 2006</b>	<b>12,242</b>	<b>12,242</b>

### 25 Income and expenditure reserve excluding pension reserve

	Group £000	University £000
Deficit after depreciation of assets at valuation and taxation and pension reserve movement in year	(3,311)	(3,083)
Less Pension Reserve movement in the year	1,078	1,078
Deficit after depreciation of assets at valuation and taxation	(2,233)	(2,005)
Release from revaluation reserve	169	169
Historical cost deficit after tax and minorities	(2,064)	(1,836)
Balance at 1 August 2005	100,931	101,769
<b>Balance at 31 July 2006</b>	<b>98,867</b>	<b>99,933</b>

### 26 Reconciliation of consolidated operating (deficit)/surplus to net cash (outflow)/inflow from operating activities

	2005-06 £000	2004-05 £000
(Deficit)/Surplus after depreciation of assets at valuation:		
Continuing operations	(3,311)	1,503
FRS 17 Pension charge (Note 32)	1,078	694
Depreciation (Note 12)	6,712	5,063
Deferred capital grants released to income (Note 22)	(2,112)	(1,603)
Surplus on disposal of tangible fixed asset (Note 12)	(4,940)	0
Investment income (Note 5)	(780)	(1,889)
Interest payable (Note 8)	2,483	1,261
Increase in stocks (Note 15)	(9)	(6)
(Increase)/Decrease in debtors (Note 16)	(849)	976
(Decrease)/Increase in creditors (Note 18)	(71)	9,432
Decrease in provisions (Note 21)	(68)	(4)
Current asset investment (appreciation)/impairment	0	(26)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(1,867)</b>	<b>15,401</b>

**Notes to the accounts**

	<b>2005-06</b>	2004-05
	<b>£000</b>	£000
<b>27 Returns on investments and servicing of finance</b>		
Income received from endowment asset investments (Note 5)	<b>77</b>	83
Income received from current asset investments (Note 5)	<b>703</b>	1,806
Interest paid (Note 8)	<b>(2,483)</b>	<b>(1,261)</b>
Net cash (outflow)/inflow from returns on investments and servicing of finance	<b>(1,703)</b>	628
<b>28 Capital expenditure and financial investment</b>		
Tangible fixed assets acquired (Note 12)	<b>(52,230)</b>	<b>(54,734)</b>
Proceeds on disposal of tangible fixed assets (Note 12)	<b>4,940</b>	0
Fixed asset investment (acquired)/redeemed (Note 13)	<b>(25)</b>	10
Payments to acquire endowment assets (Note 23)	<b>(102)</b>	<b>(143)</b>
Deferred capital grants received (Note 22)	<b>2,286</b>	8,063
Endowments received (Note 23)	<b>102</b>	143
Net cash outflow from capital expenditure and financial investment	<b>(45,029)</b>	<b>(46,661)</b>
<b>29 Management of liquid resources</b>		
Sale of investments	<b>3,188</b>	961
Withdrawals from deposits	<b>4,063</b>	23,900
Net cash inflow from management of liquid resources	<b>7,251</b>	24,861
<b>30 Financing</b>		
Debt due beyond a year:		
New other loans (Notes 18 and 19)	<b>28</b>	122
New bank loans/(Capital repayments) (Notes 18 and 19)	<b>36,637</b>	<b>(352)</b>
Net cash inflow/(outflow) from financing	<b>36,665</b>	<b>(230)</b>

## Notes to the accounts

### 31 Analysis of changes in net funds

	At 1 August £000	Cash flows £000	Other changes £000	At 31 July £000
Cash at bank and in hand	4,182	(4,090)	0	92
Overdrafts	(49)	(593)	0	(642)
<b>Net cash</b>	<b>4,133</b>	<b>(4,683)</b>	<b>0</b>	<b>(550)</b>
Short-term investments:				
Endowment asset investments	1,836	22	5	1,863
Assets held for disposal	0	0	14,235	14,235
Other	8,188	(7,251)	0	937
Debt due within one year	(491)	(200)	0	(691)
Debt due after one year	(22,784)	(36,465)	0	(59,249)
<b>Net funds</b>	<b>(9,118)</b>	<b>(48,577)</b>	<b>14,240</b>	<b>(43,455)</b>

### 32 Pension schemes

The three principal pension schemes for the University's staff are the Universities' Superannuation Scheme (USS) and the Teachers' Pension Scheme (TPS) for academic staff, and the London Pensions Fund Authority Scheme (LPFA) for other staff. The schemes are defined benefit schemes based on a final pensionable salary. The University also paid pension contributions into a personal defined contribution pension plan (at the same rate as USS contributions) on behalf of the former Vice Chancellor.

**The total pension cost for the University and its subsidiaries was:**

	2005-06 £000	2004-05 £000
Contributions to USS	4,846	4,007
Contributions to TPS	472	496
Contributions to LPFA	1,427	1,166
Contributions to other pension schemes	16	161
Provision for ex-WLIHE pensions increases	4	69
<b>Total pension cost</b>	<b>6,765</b>	<b>5,899</b>

#### ***Universities Superannuation Scheme***

USS provides a defined benefit scheme for employees of UK universities and some other employers. The assets of the scheme are held in a separate trustee-administered fund. The fund is valued every three years by a professionally qualified independent actuary using the projected unit method, the rate of contribution being determined by the trustee on the advice of the actuary. The contribution rate recommended following the 2002 valuation has regard to the surplus disclosed, the benefit improvements introduced subsequent to the valuation, and the need to spread the surplus in a prudent manner over the future working lifetime of current scheme members.

**32 Pension schemes (cont'd)**

**SSAP 24**

It is not possible to identify the University's share of the underlying assets and liabilities in the USS scheme and hence, using the exemption under SSAP 24, contributions to the scheme are accounted for as if it were a defined contribution scheme, with the cost recognised in the Income and Expenditure account being equal to the contributions payable to the scheme.

The assumptions and other data which have the most significant effect on the determination of future contribution levels together with the employers contribution rate, are as follows:

Date of most recently published actuarial valuation	31 March 2002
Investment returns per annum	6.0%
Salary scale increases per annum	3.7%
Pension increases per annum	2.7%
Market value of assets at last valuation date	£19,938 million
Proportion of members' accrued benefits covered by the actuarial value of the assets	101%
Employer's contribution rate	14%

**FRS 17**

It is not possible to identify the University's share of the underlying assets and liabilities in the USS scheme and hence, using the exemption under FRS 17, contributions to the scheme are accounted for as if it were a defined contribution scheme, with the cost recognised in the Income and Expenditure account being equal to the contributions payable to the scheme.

***Teachers Pension Scheme***

TPS is an unfunded defined benefit scheme administered by the Teachers Pensions Agency in accordance with the Teachers' Superannuation (Consolidation) Regulations 1988.

Contributions on a 'pay-as-you-go' basis are paid to the Exchequer under arrangements governed by the Superannuation Act 1972.

**SSAP 24**

It is not possible to identify the University's share of the underlying assets and liabilities in the TPS scheme and hence, using the exemption under SSAP 24, contributions to the scheme are accounted for as if it were a defined contribution scheme, with the cost recognised in the Income and Expenditure account being equal to the contributions payable to the scheme.

The pensions costs are assessed not less than every five years in accordance with the advice of the government actuary, using the prospective benefits method. The assumptions and other data which have the most significant effect on the determination of future contribution levels, together with the employers' contribution rate, are as follows:

Date of most recently published actuarial valuation	31 March 2001
Investment returns per annum	7.0%
Salary scale increases per annum	5.0%
Pension increases per annum	3.5%
Market value of assets at last valuation date	£142,880 million
Proportion of members' accrued benefits covered by the actuarial value of the assets	97%

The employer contribution rate has been 13.5% since 1 April 2003.

**32 Pension schemes (cont'd)**

**FRS 17**

It is not possible to identify the University's share of the underlying assets and liabilities in the scheme and hence, using the exemption under FRS 17, contributions to the scheme are accounted for as if it were a defined contribution scheme, with the cost recognised in the Income and Expenditure account being equal to the contributions payable to the scheme.

***London Pensions Fund Authority Pension Scheme (LPFA)***

The University participates as an Admitted Body in the LPFA which is administered in accordance with the Local Government Pensions Scheme Regulations 1997. The fund is valued every three years by actuaries, and the projected unit method is used in respect of the Active Sub-Fund in which the University participates. Each participating employer has their own contribution rate reflecting its long term future service rate, adjusted for the funding level in respect of past service. For the year ended 31 July 2006, the employer's contribution rates were 11.8% until 31 March 2006 and 13.6% from 1 April 2006, the employee's rate was 6%, the employer's contributions were £1.43 million and the employees' contributions were £0.7 million.

**FRS 17**

The following information regarding the LPFA is based upon the full actuarial valuation of the fund as at 31 March 2001, rolled forward to 31 July 2006 by Hymans Robertson, an independent firm of actuaries. The major assumptions are:

	<b>At 31 July '06</b>	At 31 July '05	At 31 July '04
Inflation	<b>3.1%</b>	2.8%	2.9%
Rate of increase in salaries	<b>4.6%</b>	4.3%	4.4%
Rate of increase for pensions	<b>3.1%</b>	2.8%	2.9%
Discount rate	<b>5.1%</b>	5.0%	6.5%

Notes to the accounts

32 Pension schemes (cont'd)

The University's share of the total value of the LPFA fund is estimated to be as follows:

	At 31 July '06		At 31 July '05		At 31 July '04	
	Long-term rate of return	Fund Value £000	Long-term rate of return	Fund Value £000	Long-term rate of return	Fund Value £000
Equities	7.6%	25,819	7.3%	29,960	7.9%	28,047
Bonds	6.3%	8,143	4.7%	3,662	5.4%	4,090
Property	6.7%	5,031	5.4%	2,579	6.7%	2,697
Cash	4.8%	3,325	4.5%	1,777	4.5%	449
Total market value of assets		<u>42,318</u>		<u>37,978</u>		<u>35,283</u>

The following amounts at 31 July 2006 were measured in accordance with the requirements of FRS 17:

	At 31 July '06 £000	At 31 July '05 £000	At 31 July '04 £000
Estimated asset share	42,318	37,978	35,283
Present value of scheme liabilities	(62,582)	(56,897)	(47,360)
Present value of unfunded liabilities	(18)	(29)	(52)
Deficit in the scheme	<u>(20,282)</u>	<u>(18,948)</u>	<u>(12,129)</u>



Notes to the accounts

32 Pension schemes (cont'd)

Movement in surplus/(deficit) during the year:

	Year ended 31 July 2006 £000	Year ended 31 July 2005 £000
<b>Analysis of amount charged to income and expenditure account</b>		
Current service cost (net of employee contributions)	2,181	1,628
Past service cost	38	6
Curtailments and Settlements	83	61
Total operating charge	<u>2,302</u>	<u>1,695</u>

**Analysis of net return on pension scheme**

Expected return on pension scheme assets	2,580	2,622
Interest on pension liabilities	(2,867)	(2,756)
Net return	<u>(287)</u>	<u>(134)</u>

**Analysis of amounts recognised in statement of total gains and losses (STRGL)**

Actual return less expected return on pension scheme assets	1,728	3,972
Experience gains and losses arising on the scheme liabilities	11	693
Changes in assumptions underlying the present value of the scheme liabilities	(1,995)	(10,791)
Actuarial loss recognised in STRGL	<u>(256)</u>	<u>(6,126)</u>

Deficit in scheme at 1 August	(18,948)	(12,128)
Movement in year:		
Current service costs	(2,181)	(1,628)
Contributions	1,509	1,132
Contributions in respect of Unfunded Benefits	2	3
Past service costs	(38)	(6)
Impact of Curtailments and Settlements	(83)	(61)
Net return on assets	(287)	(134)
Actuarial (loss)/gain	(256)	(6,126)
Deficit in scheme at 31 July	<u>(20,282)</u>	<u>(18,948)</u>

	Year ended 31 July 2006 £000	Year ended 31 July 2005 £000	Year ended 31 July 2004 £000	Year ended 31 July 2003 £000	Year ended 31 July 2002 £000
<b>History of experience gains and losses</b>					
Difference between the expected and actual return on assets	1,728	3,972	21	(2,540)	(8,388)
Value of Assets	42,318	37,978	35,283	32,910	32,610
Percentage of scheme assets	4.1%	10.5%	0.1%	(7.7%)	(25.7%)
Experience gains/(losses) on scheme liabilities	11	693	66	(20)	326
Present value of Liabilities	62,600	56,926	47,411	44,270	40,965
Percentage of the present value of scheme liabilities	0.0%	1.2%	0.1%	(0.1%)	0.8%
Total amount recognised in STRGL	(256)	(6,126)	20	(2,560)	(8,114)
Present value of Liabilities	62,600	56,926	47,411	44,270	40,965
Percentage of the present value of scheme liabilities	(0.4%)	(10.8%)	0.0%	(5.8%)	(19.8%)

**Notes to the accounts**

**33 Post Balance Sheet Events**

On 1 November 2006 the University sold the Osterley campus. As at 31 July 2006, an advance payment of £3 million had been received in connection with the sale.

**34 Capital commitments**

**Consolidated and University**

	<b>2006</b>	2005
	<b>£000</b>	£000
Commitments contracted for at 31 July	<u><b>19,927</b></u>	<u>52,737</u>

**35 Contingent liabilities**

The University is not aware of any contingent liabilities which fall to be disclosed in accordance with standard accounting practice.

**36 Related party transactions**

Transactions between Brunel University and its subsidiary undertakings, Brunel University Enterprises Limited, Brunel University Services Limited and Phalarope Limited have been eliminated on consolidation and do not need to be disclosed, therefore, in this note.

Due to the nature of the University's operations and the composition of its Council (being drawn from public and private sector organisations), it is inevitable that transactions will take place with organisations in which a member of Council may have an interest. All transactions involving organisations in which a member of Council may have an interest are conducted at arm's length, and in accordance with the University's financial regulations and normal procedures.

Brunel University considers the Union of Brunel Students to be a related party due to the level and nature of the transactions between the organisations. During the year to 31 July 2006, the University paid a grant of £840,100 to the Union, and provided the Union with accommodation on all campuses free of rent and most other occupancy costs.

**37 Access and hardship funds (HEFCE)**

	<b>2005-06</b>	2004-05
	<b>£000</b>	£000
Balance brought forward at 1 August	<b>89</b>	5
Funding Council grants received	<b>626</b>	633
Disbursed to students	<b>(684)</b>	<b>(549)</b>
Balance carried forward at 31 July	<u><b>31</b></u>	<u>89</u>

**Notes to the accounts**

<b>38 SSSS* hardship funds (TDA)</b>	<b>2005-06</b>	2004-05
	<b>£000</b>	£000
Balance brought forward at 1 August	<b>0</b>	<b>(1)</b>
Funding Council grants received	<b>36</b>	31
Disbursed to students	<b>(22)</b>	<b>(30)</b>
Balance carried forward at 31 July	<u><b>14</b></u>	<u><b>0</b></u>

\* *Secondary Shortage Subject Scheme*

<b>39 Teacher Training Bursaries</b>	<b>2005-06</b>	2004-05
	<b>£000</b>	£000
Teacher Development Agency grant received	<b>2,141</b>	2,160
Disbursed to students	<b>(1,856)</b>	<b>(2,007)</b>
Balance due to Teacher Development Agency	<u><b>285</b></u>	<u><b>153</b></u>

Funding Council hardship funds and bursaries, as detailed in notes 37 to 39, are available solely for students; the University acts only as a paying agent. The funds and related disbursements are therefore excluded from the Income and Expenditure Account.

**40 Financial Commitments**

At 31 July 2006, the University had annual commitments under non-cancellable operating leases as follows:

	<b>2005-06</b>	2004-05
	<b>£000</b>	£000
Within one year	<b>1,587</b>	1,453
Within two to five years	<b>0</b>	295
After five years	<b>0</b>	0
	<u><b>1,587</b></u>	<u><b>1,748</b></u>

## Notes to the accounts

41 Pension reserve	Group £000	University £000
Balance at 1 August 2005	(18,948)	(18,948)
Movement in year excluding actuarial loss	(1,078)	(1,078)
Actuarial loss for year	(256)	(256)
Balance at 31 July 2006	<u>(20,282)</u>	<u>(20,282)</u>

## 42 Prior year adjustment (Group)

During the year the University adopted the requirements of FRS 17 (Retirement Benefits). Under the provisions of FRS 3, this constitutes a change in accounting policy and is accounted, therefore, as a prior year adjustment. The effect of the prior year adjustment on the position previously reported at 31 July 2005 is set out below:

	2004-05 £000	PYA £000	2004-05 (as restated) £000
<b>Income and Expenditure Account</b>			
Total income	109,403		109,403
Total expenditure	(107,206)	(694)	(107,900)
Surplus/(loss) on continuing operations after depreciation of fixed assets at valuation and disposal of assets but before taxation	<u>2,197</u>	<u>(694)</u>	<u>1,503</u>

### Consolidated statement of total recognised gains and losses

Actuarial loss in respect of pension scheme	0	(6,126)	(6,126)
Total recognised gains/(losses) relating to the year	2,263	(694)	1,569

### Balance Sheet

Fixed assets	168,457		168,457
Endowment assets	1,836		1,836
Current assets	24,147		24,147
Current liabilities	(31,718)		(31,718)
Long term liabilities	(22,784)		(22,784)
Provisions	(1,171)		(1,171)
Pension liability		(18,948)	(18,948)
<b>Net assets</b>	<u>138,767</u>	<u>(18,948)</u>	<u>119,819</u>
Deferred capital grants	23,590		23,590
Total endowments	1,836		1,836
Revaluation reserve	12,410		12,410
General reserve excluding pension liability	100,931		100,931
Pension reserve		(18,948)	(18,948)
<b>Total reserves</b>	<u>138,767</u>	<u>(18,948)</u>	<u>119,819</u>

# Brunel University

## 5 year summary of consolidated financial statements (unaudited)

	2006	2005	2004	2003	2002
	£000	£000	£000	£000	£000
<b>Income and expenditure account</b>					
Funding Council grants	48,302	45,979	42,944	40,005	39,362
Tuition fees and education contracts	33,145	31,186	28,129	26,487	22,192
Research grants and contracts	11,385	8,622	8,675	9,076	9,523
Other income	24,645	21,727	20,257	16,906	16,795
Endowment and investment income	780	1,889	1,737	614	849
<b>Total income</b>	<b>118,257</b>	<b>109,403</b>	<b>101,742</b>	<b>93,088</b>	<b>88,721</b>
Staff costs	71,175	61,462	56,251	53,568	51,652
Restructuring costs	2,251	915	707	570	273
Other operating expenses	43,887	39,066	35,001	31,737	30,319
Depreciation	6,712	5,062	4,413	4,028	4,200
Interest payable	2,483	1,395	1,209	984	932
<b>Total expenditure</b>	<b>126,508</b>	<b>107,900</b>	<b>97,581</b>	<b>90,887</b>	<b>87,376</b>
<b>Operating surplus before tax and minorities</b>	<b>(8,251)</b>	<b>1,503</b>	<b>4,161</b>	<b>2,201</b>	<b>1,345</b>
Surplus on sale of assets	4,940	0	37,559	0	0
Realisation of property revaluation gains	0	0	10,897	0	0

### Balance Sheet

Fixed assets	199,765	168,457	118,796	103,509	88,230
Endowment asset investments	1,863	1,836	1,770	1,535	1,558
Net current assets	(4,540)	(7,571)	33,685	(6,738)	4,240
Creditors: due after more than one year	(59,249)	(22,784)	(23,032)	(14,026)	(14,647)
Provisions for liabilities and charges	(1,103)	(1,171)	(1,175)	(1,189)	(1,558)
Provision for FRS 17 pension liability	(20,282)	(18,948)	0	0	0
<b>Total net assets</b>	<b>116,454</b>	<b>119,819</b>	<b>130,044</b>	<b>83,091</b>	<b>77,823</b>
Deferred capital grants	23,764	23,590	17,130	12,132	9,175
Endowments	1,863	1,836	1,770	1,535	1,558
Revaluation reserve	12,242	12,410	12,579	23,645	23,956
Income and expenditure reserve excluding pension reserve	98,867	100,931	98,565	45,779	43,259
Pension reserve	(20,282)	(18,948)	0	0	0
Minority interests	0	0	0	0	(14)
<b>Total funds</b>	<b>116,454</b>	<b>119,819</b>	<b>130,044</b>	<b>83,091</b>	<b>77,934</b>

### Key ratios

External borrowings : General endowments plus Income and expenditure reserves excluding pension reserve

Brunel	0.61	0.23	0.24	0.35	0.38
England mean		0.50	0.50	0.51	0.50

Net cash plus Current asset investments : Expenditure excluding depreciation (days)

Brunel	47	44	169	17	54
England mean		60	65	63	58

Current assets : Current liabilities

Brunel	0.86	0.76	2.51	0.68	1.21
England mean		1.21	1.27	1.24	1.24

Staff costs : Total expenditure (%)

Brunel	58.0	57.7	58.4	59.6	59.4
England mean		58.1	58.2	58.4	57.8

Operating surplus/(deficit) after tax : Total income (%)

Brunel	(7.0)	2.0	4.1	2.4	1.5
England mean		1.8	2.4	1.7	0.8

## Brunel University Membership of Council during the 2005-06 year

	Status of Appointment	Date appointed in-year	Date resigned in year	Committees Served
The Rt Hon. Lord Wakeham DL	Chancellor			
Dr D Kingsmill	Pro Chancellor			Remuneration Committee, Nominations Committee
Professor C Jenks	Vice-Chancellor and Principal	16.2.2006		
Professor S Schwartz	Vice-Chancellor and Principal		31.12.2005	
Professor M Sarhadi	Vice-Principal			
Mr J Ellwood	Independent Member			Chair: Council, Chair: Nominations Committee, Chair: Remuneration Committee, Finance Committee
Mr V Allport	Independent Member			
Cllr R Cadbury	Independent Member		1.8.2005	
Mr J Fallow	Independent Member		22.3.2006	
Cllr A Haas	Independent Member		1.8.2005	
Mrs J Kelly	Independent Member	8.2.2006		
Mr A Kilker	Independent Member			Audit Committee
Mrs M Lenton	Independent Member	1.8.2005		
Mr R Lougee	Independent Member			Audit Committee
Dr J McGrath	Independent Member			Chair: Finance Committee, Remuneration Committee, Nominations Committee
Mr J Mitchell	Independent Member			Finance Committee
Dr J Murphy	Independent Member			Finance Committee, Remuneration Committee, Nominations Committee
Revd. S Orchard	Independent Member		1.8.2005	Finance Committee
Dr D Payne	Independent Member		1.8.2005	
Dr D Rimmer	Independent Member			
Cllr G J Samuel	Independent Member		1.8.2005	
Mr J M Sheasby	Independent Member			Chair: Audit Committee
Mr P M Smith	Independent Member			
Mrs S Staples	Independent Member		1.8.2005	Finance Committee
Mr T A C Webb	Independent Member			Finance Committee, Remuneration Committee, Nominations Committee
Mrs R Wingrove	Independent Member		1.8.2005	Finance Committee
Professor J Beasley	Appointed by Senate	1.8.2005		Finance Committee
Professor L De Souza	Appointed by Senate			Finance Committee
Professor A Olowofoyeku	Appointed by Senate			
Professor P Wiegold	Appointed by Senate	1.8.2005		
Professor K Darby-Dowman	Elected Academic Member			Finance Committee
Dr M Rand-Weaver	Elected Academic Member			
Lady K Chisholm	Elected Staff Member	1.8.2005		
Mr D Snowden	Elected Staff Member	1.8.2005		
Mr J Baines	Student Member			Finance Committee

### Professional Advisers

#### Bankers

HSBC Bank plc, Uxbridge

#### External auditors

KPMG LLP, Birmingham

#### Legal advisers

Eversheds, London

Nabarro Nathanson, London

#### Indirect tax advisers

Ellis Chapman & Associates,

Manchester