



Brunel
University
London

Brunel University London
Financial Statements for the year ended 31 July 2015

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Mission and Strategy of the University

The University's Mission is:

"To create knowledge and advance understanding, and equip versatile graduates with the confidence to apply what they have learnt for the benefit of society"

This Mission was updated as part of the Strategic Plan for the University, which covers the period from 2012 to 2017. The Strategic Plan is focused around three Priorities, which are articulated through a number of Objectives, to be achieved over the planning period and beyond. The Priorities and Objectives are:

- Advancing Excellence in our Academic Provision:
 - *Building on our research successes to meet the global challenges of the 21st century*
 - *Securing the benefits of a research-led education for our students*
 - *Improving the quality of learning opportunities for all our students*
 - *Competing more effectively*
- Crossing Institutional Boundaries on the Basis of Open Innovation:
 - *Expanding our reach*
- Organising for Success:
 - *Providing an enabling culture in which all students and staff feel that they can excel*
 - *Ensuring the University is an attractive, safe and inspirational place*
 - *Communicating our successes*
 - *Ensuring the University is financially and environmentally sustainable and beneficial to society*

Strategic Developments

We have noted in prior years how our commitment to excellence and quality is a recurring theme throughout the Strategic Plan, which sets out a strong aspiration to greatly improve our educational and research activities, and a path to move up the league tables significantly. In 2014/15, we have continued to fulfil this aspiration, with several league table progressions including a rise to 25th in the THE '100 Under 50' (formerly '50 Under 50') rankings and also retaining our position in August 2015 in the prestigious top 500 of the Shanghai World University rankings for research prowess, following last year's initial entry.

In August 2014, following extensive preparatory work and consultation, the University successfully implemented its Transformational Change Programme (TxP), which was designed to enable the University to achieve its goals and meet the challenges of an environment in which there is increased competition for undergraduate students, ongoing uncertainty in the postgraduate and international student markets and increasing competition for research funding. The TxP Programme was designed to achieve our academic goals of focusing on academic excellence in all that we do, and improving our academic infrastructure to enable us to reshape and refocus the delivery of research and education. The main organisational change arising from the TxP Programme was the formation of three Colleges in place of the eight Schools, and the establishment of three major Research Institutes, with the redesigning of the administrative services to support this new operating structure.

The work of the three Colleges is centred on i) Business, Arts and Social Sciences (CBASS); ii) Engineering, Design and Physical Sciences (CEDPS); iii) Health and Life Sciences (CHLS). Colleges are the strategic drivers of transformational change and have a key responsibility for the delivery of education and research and for the quality assurance and standards of academic provision. Each College is led by a Dean supported by three Vice-Deans (Research, Education and International), academic department heads and by a college wide administration.

The three Research Institutes are i) Energy Futures; ii) Environment, Health and Societies; and iii) Materials and Manufacturing. Their overall focus is to address the global challenges of sustainability through the

adoption of inter-disciplinary methodologies. Each Institute is led by a Director and has a responsibility for establishing and delivering the strategic direction for its research within the University's stated ambition as defined in the University Strategic Plan.

Alongside the TxP changes, and in response to the increased competition between universities for students, the University implemented the recommendations of an audit undertaken in 2013/14 of its branding. The audit identified the need to raise the profile of the University, make clear our position within the HE Sector and also our London location. The University formed a Communications, Marketing & Branding Strategy Committee, which oversees the engagement process with focus groups including the student body, alumni, staff, governors, employers and other stakeholders. The strategy focuses on supporting staff and students as they adopt the brand into their working practices, ensuring that our internal and external communications reflect the University's new style and messages and improving internal communication and enhancing our external communication activities. The new branding for the University took effect from 1st August 2014, and 'Brunel University London' became the University's legal name in September 2014 when the supplemental charter was formally received. A further modification of the Statutes relating to the employment of academic staff was approved by the Privy Council in May 2015.

The new Education Strategy of the University was approved in March 2015 and is now being implemented. The strategy identifies four key characteristics of a Brunel education; that our students should be ready for the work place; that our education should be leading edge and relevant; that we are an international and diverse community; and that we will provide students with seamless academic and pastoral support - which is detailed in the Student Support section of this report.

During 2014/15 the University has developed and started to implement its strategy for its Internationalisation. The international strategy aims to develop further the University's international reputation, in part by raising our profile for excellence in research and education, forming strategic partnerships, and developing and implementing our international student recruitment strategy. The University formed an International Board, which oversaw the implementation process of the Internationalisation Strategy. We interacted with external agencies which support internationalisation, including the British Council, UK HE International Unit, UKCISA, UKTI and BIS to build our profile in North and South America, Asia, Africa and Europe (including accession countries). The University adopted a robust, risk-based approach to safeguard our UKVI sponsorship status. Our increased and prioritised recruitment efforts led to a significant increase in international applications from the US, Ecuador, Mexico, Brazil, Hong Kong, Norway, Egypt and Romania. The University launched Chevening and Santander Scholarship schemes, widening our reach to attract international talent, and awarded 22 scholarship offers under the schemes. We are also seeking to increase the number of our students who spend time overseas, on exchange or work placement. Our agreement with Santander University has provided funding that will enable students to undertake placements in America.

The University became one of the founding members of the Young European Research University Networks (YERUN). This will increase our influence and impact on European research and education initiatives, and also increase our network of like-minded partners. Senior staff made strategic visits to create a range of influential networks throughout the world and associated with globally reputable universities and agencies to strengthen Brunel's global profile, such as Xi'an Jiaotong University and Sichuan University (China), Hong Kong University of Science and Technology, University of Campinas (Brazil) and FAPESP (Sao Paulo State Research Agency). We reviewed and assessed the future viability of current international partnerships and appointed dedicated resource within each College to support the implementation of the International Strategy.

The University has followed the debate on how Higher Education institutions should respond to growth opportunities related to workforce skills and industrial innovation within the local area – notably the City Growth Commission 'UniverCities' theme of how HEIs can and should serve as increasingly important 'anchor institutions' in UK cities – with keen interest. An independent economic assessment by Biggar Economics of the economic impact of the University indicated that Brunel added c£180m to the economy in the London Borough of Hillingdon, c£470m to the economy of London and c£750m within the UK as a whole. The University's Business Enterprise strategy concentrates on improved engagement with businesses and developing strategic partnerships, with a particular focus on local engagement in West London. The strategy will be supported by all parts of the University, including the Commercial Services directorate through its growing links with local businesses and organisations. A number of events with local business communities took place during the year, including the first ever Hillingdon Business Expo, hosted by the University and

which attracted 56 local business to exhibit, with over 700 business people and Brunel staff and students attending the event.

As part of the University's Higher Education Funding Council for England (HEFCE) Catalyst project, Making the Future, a pilot for 25 individuals/businesses will commence in August 2015 leading up to the full opening of the Central Research Laboratory (CRL), at the Old Vinyl Factory in Hayes for approximately 180 individuals/businesses in August 2016. The CRL will provide support for start-up businesses from Brunel and other university partners. As well as custom designed studio accommodation, access to investment funding and technical and generic mentoring, the CRL will include a fully equipped Fabrication and Prototype Production Facility that will be open to businesses in the CRL, West London and beyond.

Co-Innovate, the University's two and a half year European Regional Development Fund project, ended with a celebration at the Made in Brunel event – an annual showcase event for our final year Design students - in June 2015. 150 businesses attended the event to recognise the achievements of the project. Three companies were presented with the first Co-Innovate Awards for their outstanding contribution to collaborative working. Over its lifetime, the project supported 250 businesses with workshops and 46 companies received intensive support from Brunel staff and students. The project demonstrated the value of collaborative projects between staff, students and SMEs, where students undertake their third year project with a company through delivering new products and technological developments. The University will continue with the themes of the project in future years.

The University is also expanding its academic links with the local community. As part of this strategy, the Wilfred Brown Building was vacated in summer 2014 and identified for conversion as part of the University's aspirations to be a leading local provider of STEM education. The new facility, partly funded by a £5 million HEFCE grant, will provide new state-of-the-art educational space for computer science as well as a Science, Technology, Engineering and Maths (STEM) learning centre to raise the aspirations of young people - and particularly women - in West London and beyond to pursue STEM as a career. Development and building works have begun and it is planned to commission and handover the converted building ready for the next academic year. Sponsorship arrangements have been agreed with one commercial company to locate their innovation hub in the STEM learning centre and we are actively exploring similar arrangements with the local operations of large commercial companies, which we believe will result in additional employability outcomes for our students.

This year the University has continued to work as an active partner in Imperial College Healthcare Partners (ICHP), our local Academic Health Sciences Network. This has allowed us to deepen our links with local NHS Trusts, and develop potential research collaborations, in particular through the Cumberland Initiative (detailed in the Research section of our Statement of Charitable Purpose Report in this document). We are also members of the Health Sciences Academy, together with Imperial College London and Buckinghamshire New University. As a result of that we are contributing to the delivery of an MSc with Imperial, and have co-designed our first workshop with Buckinghamshire New University. Over the next year we will continue to contribute to these growing networks, to develop health related research and education.

The University's 50th Anniversary year of celebrations began in October 2015, and will run for 15 months. We have a series of events planned for staff, students, alumni, partners, funders and prospective students both on campus and around the world, to celebrate Brunel's history and achievements. We have an alumni weekend planned in July 2016, along with a gala dinner for business partners, a staff party, parliamentary dinner and anniversary lecture series. All of this will be underpinned by an anniversary website and social media campaign, where we will promote events, capture memories, connect people and garner support. We hope to use the anniversary year to strengthen and deepen our important relationships, with a view to launching a major fundraising campaign at the end of the year.

Regulatory and Competitive Environment

Brunel University London is an exempt charity within the meaning of Schedule 3 of the Charities Act 2011 and HEFCE is the principal regulator of the University as a charitable institution.

The principal regulator to which the university is accountable is HEFCE. The University receives funding grants from HEFCE for teaching and research. The terms and conditions for the payment of grants to the

universities by HEFCE are governed by the HEFCE Memorandum of Assurance and Accountability, which is applicable from 1st August 2014, replacing the previous HEFCE Financial Memorandum which was operable to 31st July 2014. The Memorandum of Assurance and Accountability sets out the formal relationship, in the form of terms and conditions made under section 65 of the Further and Higher Education Act 1992, between HEFCE and the higher education institutions (HEIs) and further education colleges (FECs) that it funds, and their governing bodies and accountable officers. It reflects HEFCE's responsibility to provide annual assurances to Parliament that: i) funds provided are being used for the purposes for which they were given; ii) risk management, control and governance in the HE sector are effective; and iii) value for money is being achieved. HEFCE also monitors the financial and managerial health of universities.

The University is required to submit a series of financial, data and accountability returns as part of the regulation process. HEFCE is also responsible for making sure that the quality of learning, teaching and research is assessed, enabling them to fund selectively by supporting excellence and takes account of the collective interest of students in how it operates. In early 2015 HEFCE's Assurance Team undertook a formal Assurance Review of the University's systems of internal control, corporate governance and risk management as part of the process of monitoring and addressing financial and other risks associated with HEIs and related bodies. The Assurance Review is part of this process and is aimed at ensuring an adequate and appropriate level of public accountability is maintained. The University received a positive report, with the overall conclusion that HEFCE is able to place reliance on the accountability information that the University provides. The report is available from HEFCE on request under their publication scheme, as part of HEFCE's focus on building confidence in institutions as recipients of public funds.

Brunel operates in a competitive national and international market attracting students and staff from across the United Kingdom and around the world to study and work here. The University is an autonomous institution and determines its own mission and strategy, although as a supplier of publicly-funded higher education, it is subject to regulation and legislation to ensure that it acts responsibly in its use of public funds.

The University has a broad mix of students, with regulated limits to fees for UK and European Union undergraduate (HEU) students, but flexibility to set fee levels for postgraduate and international students. All HEIs which charge fees for HEU undergraduate students of above £6,000 a year up to the limit of £9,000 are required to submit an Access agreement to The Office for Fair Access (OFFA). The University is committed to ensuring that all those with the potential to benefit from studying here have the opportunity to do so, whatever their background. We aim to continue the activities that have proved successful in widening access and delivering positive outcomes for students from under-represented backgrounds at the University.

Research funding for the sector from UK Government sources continues to be frozen in cash terms, and this funding is expected to be constrained and potentially be reduced. Against that backdrop, the University continues to attract increased overall levels of research grant funding, including from EU and non-Government sources, as it follows its research-intensive strategy. Following an excellent performance in the 2014 Research Excellence Framework (REF), the results of which were announced in December 2014, the University increased its mainstream quality-related research funding, as detailed in the Research section of this report.

Students

Overall student numbers as recorded at the 1st December 2014 were 12,948, which represents a decrease of 556, or 4.1% from the 1st December 2013 level.

The largest reduction was in HEU undergraduate numbers which decreased by 433, or 5%. This reduction reflects the changing intake pattern that the University has seen since the 2012/13 tuition fee changes for HEU undergraduates, with the numbers of incoming students being significantly lower than the numbers of students leaving who have completed their degrees. The University is actively addressing the issue, with careful positioning of its academic intake requirements by course, balancing our strategic position of maintaining the quality for our entry requirements with the need to attract sufficient numbers of students on our undergraduate programmes. The University's Communications, Marketing & Student Recruitment is focused on increasing the number of applications made to Brunel, and the conversion rates of those that apply, in order to reduce the number of students recruited in clearing, and to reach student number targets.

Brunel University London

Operating and Financial Review

HEU postgraduate students saw a reduction of 146 for numbers of taught (PGT) students and there was a reduction of 75 in the number of HEU research (PGR) students.

International students increased by 98, which represents a rise of 3.4%. In contrast to HEU undergraduate numbers, international undergraduate numbers were broadly flat, indicating relative success with our strategy to attract more international students to the University. International PGT and PGR numbers increased, by 8.6% and 3.6% respectively.

Student Numbers	2014/15			2013/14			Variance		
	HEU	Int'l	Total	HEU	Int'l	Total	HEU	Int'l	Total
Undergraduate	8,083	1,187	9,270	8,516	1,208	9,724	(433)	(21)	(454)
PGT	1,424	1,246	2,670	1,570	1,147	2,717	(146)	99	(47)
PGR	453	555	1,008	528	535	1,063	(75)	20	(55)
Total	9,960	2,988	12,948	10,614	2,890	13,504	(654)	98	(556)

The University is proud that its student population reflects the diversity in society and has maintained this profile since the 2012/13 HEU undergraduate tuition fee changes. The broad diversity of our students is apparent across all the categories - by gender (55% male and 45% female), ethnicity (37% white, 27% Asian, 14% black and 22% other/unknown) and also by students who derive from groups under-represented in Higher Education. The percentage of undergraduate students who are in receipt of the Disabled Student's Allowance (DSA), which is one of the monitored targets of our Widening Participation Strategy, has been above the sector average and Higher Education Statistics Agency (HESA) benchmark for all modes of attendance since 2008-09. We also exceed our HESA benchmark target and the sector average for students from state schools or colleges. The University celebrated with 4,158 students who graduated in the year 2014/15, of whom 2,251 were awarded a bachelor's degree – of which 70% graduated with a 2:1 or 1st Class honours degree - and 1,907 a postgraduate degree.

This year we continued a close collaboration with London Brunel International College (LBIC), the Navitas run affiliate College and we received over 500 students from LBIC into Level 1, 2 or Masters provision. New pathways were opened to allow students who wish to study engineering to enter via LBIC. The partnership is coordinated through a joint board, and closer working over the year has ensured that the process of Brunel and LBIC are well aligned. Students who enter the University through LBIC continue to perform well, as indicated by tracker data.

This year's NSS results were relatively disappointing compared with the successes of recent years, with Brunel's score for overall student satisfaction falling to 85% from 89%, taking us from 25th to 86th position overall - although it should be stressed that the result is only one percentage point below the national average. Analysis of the results shows that poor scores in some areas with larger numbers of students have decreased our overall result, and that in order to improve student satisfaction, we need to focus on improving performance in teaching, assessment and feedback, and personal development. There are some notable successes to report, including Anthropology which was placed first in the UK for overall satisfaction, Design moved up four places to eighth overall, Drama rose by 29 places to reach the upper quartile and Aerospace Engineering has risen 13 places and is now ranked fifth out of its 30 competitors. We are working with Heads of Department and engaging with all staff to put together action plans to address the issues identified.

In order to ensure that we systematically collect feedback from our students, we ran a pilot this year of on-line module feedback. This demonstrated the feasibility of collecting data from our students that can be used to recognise and reward good teaching and also identify areas that need support. On the basis of this pilot we will be rolling out on-line feedback across the University for the new academic year.

Student Support

As part of the new Education Strategy, and in recognition of changing demands, the University reorganised its provision of student support for learning and teaching and also professional development. The University

recognises the importance of driving innovation in learning and teaching and embracing the emerging technological innovations in order to remain competitive in the changing and challenging HE market.

In addition to the key central support services intrinsic to the University, the Colleges also provide support for students. Departmental Senior Tutors have a responsibility for pastoral issues within the departments. Furthermore, each College has an Associate Dean (Student Welfare) to provide effective academic leadership and management for their College in the areas of student welfare (including the pastoral care of students) and student representation. Following TxP a new committee was created, The Student Welfare Committee, which advises Senate on the development of policy relating to student welfare and has oversight of institutional welfare issues across the Colleges and Professional Directorates. Each College has also rolled out Tutoring@Brunel, an initiative to give students a sense of belonging and a real connection to their personal tutor.

The Brunel Educational Excellence Centre (BEEC) was established in 2014 to promote, support and enhance excellence in learning and teaching across the University, for both students and staff. To do this, BEEC brings together expertise into a single University Centre that provides a coordinated approach to the support, enhancement and innovation of learning and teaching at the University. BEEC engages with staff and provides access to practical support and guidance to help staff support our students in realising and achieving their academic aspirations. Academic staff who specialise exclusively in education provision (of whom there are currently 14) now spend one day a week working with BEEC focusing on projects designed to deliver innovative learning and teaching. From September 2015 BEEC will be delivering the two programme routes in the Academic Practice and Professional Excellence (APEX) Framework - APEX_1 for Graduate Teaching Assistants leading to Associate Fellowship of the HEA, and APEX_2 for new academic staff, leading to Fellowship of the HEA.

The Academic Skills Service (ASK) team in BEEC is located in the University Library and specialises in teaching all Brunel students the study skills needed to learn independently and thrive academically, whatever the subject. ASK offers workshops, drop-ins, in-school sessions individual appointments and resources on skills such as academic writing, critical thinking, note-making, time management, oral communication, maths and numeracy and is highly rated by our student users. During 2014/15, 2,124 students received individual advice from ASK, 1,394 students attended an ASK event, 385 students attended a central workshop, 6,174 student attended a department workshop, and 469 students attended a school visit (school visits are sessions that ASK teaches for schools, such as Uxbridge College). Also critical to supporting students from all backgrounds is the English Language provision delivered by the International Pathways and Learning Centre (IPLC), which is accredited by the British Council. Students who do not speak English as their first language are able to access a range of in-session support from IPLC to help them develop further proficiency. The total number of students taking part in In-session Academic English courses in Term 1 was 772, and there were 329 students in Term 2. There were 970 In-session academic consultation sessions over the year.

The aim of the Professional Development Centre (PDC) is to enable students to develop and enhance their professional skills and competencies, to both prepare and equip them for employment (in the UK and/or abroad) and to learn how to manage/own their future career and professional development. The PDC is made up of six core services:

Careers Guidance: supports students in identifying career paths/opportunities that reflect their interests and skills. 2014/15 has seen increased focus on targeting students who graduated in 2015. Initiatives have included sending email guidance to 3,214 students, running 67 career webinars and running Career Boot Camps for 41 students, who will be monitored to check their resulting HESA Destinations of Leavers from Higher Education (DLHE) outcomes. 267 undergraduate students participated in the READY programme and 19 Postgraduate students gained organisational, communication and leadership skills by acting as facilitators on the programme. Career input into the curriculum is growing with Level 1 Careers Conferences (previously only provided to CBASS students) expanding to include CEDPS and CHLS. A Brunel+ Award has been designed to highlight and encourage students to develop and enhance skills and competencies sought by graduate employers and provide formal recognition thereof. The READY programme has been amended to reflect the feedback received from previous participants and mentors. In addition this year students took part in the Engineers Without Borders challenge, in which interdisciplinary teams worked on finding solutions to real world problems.

Placements: It is the ethos of the University that work experience should be embedded into the student life cycle at Brunel and students are encouraged to undertake either thick or thin placements as part of their course or summer placements to supplement the knowledge gained from their courses or to provide them with additional skills. 665 undergraduates were placed on schemes during 2014-15. The Placements team run a series of Pre-Placement Training Sessions for students and support them with finding and applying for placements and in preparing them for interviews/assessment centres and before they start their placement. Delivering an excellent service to students in these core areas requires the PDC to have strong relationships with a diverse range of employers/organisations, particularly local employers. This year the PDC increased the number of companies attending both the autumn and summer career fairs by 51% and 68% respectively. This in turn increased student participation with attendance at the Summer Fair doubling. 2014/15 also saw the highest ever number of companies on campus running workshops and from January to March 2015 a new initiative called 'Employer Pop Up's'. Since January 2015 all PDC employer engagement is monitored, so the number and level of employer engagement can be measured and reported. For the eighth year running, Brunel has surpassed its HEFCE employability benchmark and is in 50th position out of 119 English universities (once specialist institutions e.g. fashion, arts etc. have been excluded). In the graduate destination survey for 2014 first-degree leavers, the percentage of positive outcomes (those leavers who are either employed, engaged in further study or a combination of work and study) remained high at 89.2%. The percentage of leavers employed in graduate employment is 72.3%. Students who have undertaken a sandwich placement degree continue to experience more favourable employment outcomes with overall positive outcomes for leavers from sandwich courses at 92.4% compared to full-time leavers at 88.2%. Furthermore, 84.8% of placement course leavers are in the top three employment categories compared with 48.3% of the non-placement leavers and earn £4,534 more per annum than non-placement course leavers.

Graduate School: provides dedicated 24/7 study and social space to postgraduate students and early career researchers. It delivers an extensive programme for postgraduate research students including the Researcher Development Series I,II and III consisting of one day events for each stage of the PhD (total attendees 186 in 2015/6) and 86 stand-alone workshops (total attendees 959 in 2015/16). For Masters students, Masters dissertation week held between 18-22 May 2015 included a programme of 15 workshops. This year the Graduate School also launched two new online courses, one on statistical methods for research and one on supervising doctoral studies. They also organised a successful two-day research student conference on 17-18 March 2015. This included a poster competition and the final of the Brunel 3-Minute Thesis (3MT) competition. In total 113 research students from across all three Colleges took part in the research poster and 3MT competitions. The Brunel 3MT winner was subsequently selected as one of six UK finalists (from 48 semi-finalists) and competed for the overall title in September 2015 at the Vitae conference. This year also saw the roll out of the 3D Researcher Development Tool© to provide a common framework for research students to reflect upon and plan their transferable skills training.

Innovation Hub: promotes enterprise and entrepreneurship to all students at the University and provides dedicated support to students either considering or in the process of setting up their own business. The number of launches of student-led businesses continues to rise and (as at July 2015) stands at 43, all of which have benefitted from the support of the Innovation Hub. Additionally, the Innovation Hub has run a series of successful workshops, the most popular being 'Google Campus' which attracted more than 200 students. The Innovation Hub also provides bespoke 1-1 business coaching sessions through its network of Entrepreneurs, Business Specialists and Professional Coaches. For academic year 2014/15 a total of 64 entrepreneurship student activities took place involving 449 students from 13 different departments. 132 students engaged in entrepreneurship/innovation competitions and 27 students were assigned mentoring support.

Job Shop: provides students with the opportunity to learn and extend their knowledge and skills through working on-campus in areas such as the Library, the Lancaster Hotel and acting as Student Ambassadors. All jobs advertised by the Job Shop for both on-campus and off-campus work were paid at or above the National Minimum Wage, assisting students with funding their studies. In 2014/15 the Job Shop has seen another rise in students working on campus and has processed more than 3,900 timesheets from 714 students who collectively earned over £1 million. 2014/15 also saw a doubling of nominations for Student Employee of the year and two of Brunel's Institutional winners selected as Regional Finalists.

Modern Foreign Languages: All students are given the opportunity to study a Modern Foreign Language (at different levels of ability) on campus and at no additional cost. During 2014/15, the total number of students taking part in Modern Language courses over Terms 1 and 2 was 918. Languages offered are: Arabic,

French, German, Italian, Japanese, Mandarin, Portuguese, Russian and Spanish. The level of student satisfaction with their language courses for 2014/15 was 95%. The provision of Modern Foreign Language Training is seen as a key component to increasing the International mobility of our students.

Brunel's Disability and Dyslexia Service is part of Student Services. The Department provides expert advice and support to current and prospective disabled students. Approximately 11% of students are disabled at Brunel; this includes students with social or communication disorders (3%), blind/visually impaired (1%), deaf/hearing impaired (1%), medical conditions (10%), mental health conditions (15%), specific learning difficulties (53%), physical impairment or mobility issues (4%), two or more impairments (5%), and other impairments (8%). As well as a team of specialist Disability Advisers the service operates an in-house Support Worker Service, runs a well-equipped Assistive Technology Centre, provides 1:1 appointments to disabled students and staff, advice and guidance on reasonable adjustments, a screening service for specific learning difficulties, training and awareness raising to university staff, hosts events for Freshers and prospective students including outreach events at local schools and colleges, and offers placement support and adjustments. The West London Assessment Centre (WLAC) is also on site to carry out needs assessments for students who have applied for Disabled Students' Allowances. WLAC will also recommend specific tailor-made support to each student, write Needs Assessment reports, help students throughout their course in terms of reviewing their support and recommending additional support where applicable, liaise closely with the Disability Services at Universities and Equipment suppliers to ensure appropriate support for students is recommended, and submit Needs Assessment reports to funding bodies to seek their approval to fund the recommendations made by the WLAC in Needs Assessment reports.

The Brunel counselling service has offered over 4,000 counselling sessions to over 900 clients - 94% students and 6% staff over a twelve month period. This constitutes a 10% annual increase in volume of work, and a 100% increase over the past 10 years. From our evaluation questionnaires, 35% of students who attended counselling told us that had it not been for counselling intervention they would have left the University.

This year, building on the success of Made in Brunel, Brunel Engineering, Brunel Digital and other events where students can showcase their work, we ran a pilot Brunel Festival. This gave students the opportunity to show their work to fellow students, staff, visitors and potential employers, and was also combined with after-examination festivities. We will be expanding the Festival this year, so that it becomes a regular fixture in the University calendar.

Alumni

The Development and Alumni Relations Office (DARO) actively engages with Brunel's 120,000+ strong alumni body through a series of events and communications.

The communications to alumni include:

- Brunel Link – an annual print magazine, also available in downloadable and e-book format for those who prefer this method. This is sent to over 78,000 alumni and remains the channel with the widest reach
- Brunel eNewsletter – a quarterly email with targeted content, which is supplemented by special mailings for events and to promote Brunel's postgraduate programmes
- An online alumni-alumni networking and mentoring platform
- Social Media presence across a range of channels

Results:

- Our LinkedIn posts are reaching more people (+73.8% impressions) and we are getting far more engagement than last year (+84.9%).
- We increased the number of recipients of the eNewsletter by 28%. Our average open rate was 27.25% (+1.5%; peer average 26.3%; sector average 22.49%) with a click rate of 4.58% (sector average 3.42%).
- Our Facebook engagement continues to grow, despite algorithm changes, with 9,285 engagements and a reach of 81,388.

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- On Twitter, we now average 288 engagements per month (up from 46 last year).
- Our membership of online groups continues to grow steadily:

Platform	Current members
Online Alumni network	2,105 (+373.8%)
LinkedIn (group)	8,241 (+16.4%)
LinkedIn (page)	55,306 (+14.8%)
Facebook	2,117 (+22.6%)
Twitter	835 (+46.7%)
Google+	121 (+11%)

DARO has also run networking events with the Business School, Economics and Finance, Professional Development Centre, as well as organising Made in Brunel in conjunction with Engineering, Design and Physical Sciences. Social networking environments play an important role for both students and alumni and by bringing these communities together, students are able to explore industry sectors and discuss different career paths, whilst alumni can provide advice, perspectives, and contribute to student life.

Alumni are invited both to specific networking events and reunions, but also to the University's showpiece events such as our Public Lectures, the Made in Brunel Show and Brunel Engineers. In total, alumni were invited to 33 events at Brunel, a further 12 in the UK, but off-campus and an additional 28 events overseas. Recorded attendance was 2,436 in total, although a number of people came to more than one, with the number of recorded individual attendees being 1,203 overall.

Alumni are a key support for prospective students and the team are instrumental in sourcing input into events such as Open Days, departmental presentations and other recruitment opportunities. In the 2014-15 year, the team provided contacts to support nearly 30 separate university events, whilst providing examples of high-achieving alumni on at least another 30 occasions to promote the institution. The team have also dealt with over 13,000 alumni contacts and enquiries in the past year – ranging from updates to details to providing transcripts, references and access to Brunel services amongst others.

Philanthropic support from our alumni is invaluable, with donations from former students contributing directly to student life at Brunel by supporting scholarships, bursaries, library provision and financial support for those facing financial difficulties. The annual Telephone Campaign, which ran across the month of June is particularly important in this regard and is a major underpinning of the Scholarships and Hardship funds, raising close to £100,000 this year.

The Vice-Chancellor met with Alumni through a number of lunch events and Alumni receptions and has also hosted lunches for current and potential supporters of the University. The University has put an increasing emphasis on engaging with Alumni overseas as well as in the UK, not only hosting more Alumni events overseas, for instance in China and Hong Kong, but also emphasising the creation of supportive networks in key areas. With the appointment of a dedicated International Alumni Officer and the upcoming 50th anniversary celebrations in 2015-16, this will continue to be an area of increased activity. In the last year, alumni were engaged directly in events by members of the University in the following countries, alongside more informal contacts that are much more widespread: China and Hong Kong, South Korea, India, Ghana, Brazil, Canada, USA, Malaysia, Mauritius and Bahrain.

We have established a framework for working with the local chapters in China, building on the launch of groups in Hong Kong, Beijing and Shanghai in October, in association with the International Marketing team. The key targets are to secure alumni involvement in pre-departure and post-graduation events for prospective students and new graduates respectively, alongside involving volunteers in recruitment fairs which Brunel has done for many years. Where there is a local chapter, we have held concurrent alumni events to thank and connect with volunteers. This has also helped us to secure further volunteers in Nanjing, Shenzhen and Guangzhou who have supported the International team's work. The first pre-departure events held in this way in June 2015 were very warmly received (with one of our volunteers travelling to more than one pre-departure event to assist the International team) and we believe that this model could be expanded to other countries and chapters in the coming year.

Academic departments work with the DARO team to maintain contact with their alumni body, providing services, hosting events and promoting professional networking. Social networking environments play an important role for both students and alumni and by bringing these communities together, students are able to explore industry sectors and discuss different career paths, whilst alumni can provide advice, perspectives, and contribute to student life.

Staff

The University recognises the fundamental importance of its academic and professional services staff in delivering our mission and also developing and delivering our strategic priorities. Many of our staff members, from both academic and professional departments, made a major contribution to the development of the University's TxP Programme, giving input at every level to both the design and the implementation, and are committed to the successful delivery of its objectives.

As well as the new College and Institute structures, the University's support services have been reorganised to provide better support to the academic activities of the University, and staff have been consulted with regard to the most appropriate service delivery model for each service. Depending on the service, the model varies, from central provision, to 'hub-and-spoke' and also devolved local provision within Colleges and Institutes.

Our reported staff numbers for the year averaged 2,522, which represents an increase of 30, or just over 1%. The small increase resulted mainly from an increase in levels of student work placements across the campus, as detailed in the Student Support section of this report. Our staff expenditure accounts for the majority of our total expenditure and at 52.9% of income (2013/14 - also 52.9%), this Key Performance Indicator (KPI) is close to the sector average, which was 52.6% for 2013/14.

A number of departments have had their staff development work recognised formally, including the Mathematics Department which received an Athena SWAN bronze award. The Athena SWAN charter grants awards to organisations who can demonstrate increasing levels of good practice in recruiting, retaining and promoting women in Science, Technology, Engineering, Maths and Medicine (STEMM) in higher education and research. Brunel's commercial services team has been awarded gold, the highest Investors in People (IiP) accreditation, for their commitment to realising the potential of their employees. More than 300 staff work for the university's commercial services directorate, covering accommodation, residences, housing, conferencing, retail, sport, site services, the Lancaster Hotel and the Science Park.

Staff Support

As an anticipated outcome of the TxP programme, much of our staff support activity focused on supporting and enabling staff through the implementation phase of change outcomes, while developing and establishing support structures and systems, alongside the roll-out of our Staff Engagement Survey. Thus, activity during 2014-15 included:

Staff Engagement Survey - Brunel Voice - During the Spring term we conducted Brunel Voice, our staff engagement survey. Using an external provider with significant experience of the HE sector alongside available benchmarking data, our early analysis reveals that even during a significant period of change staff hold positive views in relation to facilities and environment, feeling valued and supported, pay and benefits, relationships and cooperation and job satisfaction. Brunel's commitment to working on the staff engagement agenda will be evidenced through action planning in relation to areas where the survey results suggest efforts should be addressed, including: improving communication within the University, increasing the visibility of our leadership and management teams, and managing change more effectively.

Supporting Change - Focus has been given to working with teams in the Colleges and Directorates to support change transitions. The scope of this work ranged from supporting new and existing line managers implement a management 'toolkit', helping teams and individuals cope with and make sense of the changes, and supporting team-working within recently established teams.

Establishing BEEC – BEEC was established during the year, bringing together staff and student facing teams to support innovation and excellence in learning and teaching. During its first year, BEEC has

achieved HEA accreditation for the APEX professional development framework, to develop, support and recognise staff that support learning and teaching excellence at Brunel. Further detail is included in the Student Support section of this report.

Refreshing the Performance Development Review Scheme – to ensure the continued relevance of the staff support available, a refreshed Professional Development Review Scheme has been developed and will be implemented during 2015-16. This scheme brings existing appraisal schemes together so that all staff will engage, on an annual basis, with reflection on their performance and their current and future professional development needs.

Compliance Training Review – We are conducting a full review of compliance training. To date, significant investment has been made to sustain and enhance awareness and understanding in relation to Anti-Bribery, Data Protection and UKVI Sponsorship Duties.

Research

The University was recognised by the THE journal as one of the biggest winners in its 'intensity' ranking in the 2014 REF, the results of which were announced in December 2014. Brunel made the 30th largest submission in the sector, and the 5th largest among London universities. The REF, which assesses the quality of research at universities across the country, placed 61% of Brunel's submitted work in the categories of world-leading and internationally excellent, compared to just 43% in the preceding equivalent assessment – the Research Assessment Exercise (RAE) - in 2008. The results lift Brunel to 33rd among the UK's HEIs for its research power – an overall ranking that combines the university's average research quality rating with number of submissions. This ranking placed Brunel 37th in 2008.

The strong performance in the REF was also reflected in the March 2015 notification of a £0.6 million (c7%) funding boost for the 2015-16 financial year from HEFCE. This mainstream quality-related research funding increase is particularly important to support post-graduate and early years researchers and for the University to be able to direct substantial sums into areas that we as a university regard as crucial.

The overall focus for the University's new Research Institutes is to develop research to promote global sustainability through the application of science and technology. In each of the three Institutes we are internationally competitive through the volume of funding we are already winning, through particularly prestigious grants and awards, and more generally through the high profile we have established for our research and its translation into public benefit in these areas. Also, within each Institute, we have strategic partnerships which support our work, or provide access to techniques, methodologies or equipment, or have assembled unique multidisciplinary teams. This gives us a strong and unique competitive advantage going forward. There is already evidence of much wider interdisciplinary activity with a number of collaborations across a broad subject mix.

Colleges also have responsibility for research and are accountable to the University for overseeing the articulation of the University's Research Strategy into College Research Plans, the delivery of discipline-based research within the College, and ensuring that the KPIs associated with the College Research Plan are met. Colleges have responsibility for achieving over time an increase in the quality, volume and impact of the College's research activities, including activities undertaken in collaboration with other Colleges, the University's Institutes, other institutions and engagement with business enterprise and industry. As part of that responsibility, Colleges are responsible for ensuring that there is a successful integration of training and supervision for postgraduate research students registered in its Departments and also maintaining provision for post-doctoral researchers.

In March 2015 the University was awarded a £15m grant from HEFCE, which will enable a second phase of the new Advanced Metal Casting Centre (AMCC2). AMCC2 will conduct research and develop new approaches to scale-up metals manufacturing processes and innovations that work in the laboratory but fail to achieve their potential on the factory floor. The Centre brings together the research work of the University and that of a number of industrial partners (including partners in phase one, as noted below), who will contribute funding and resources that are anticipated to exceed £62 million during the first ten years of the Centre's activities. The size of the new award underlines how important cutting edge casting technology is

to the competitive position of every sector of UK manufacturing across automotive, aerospace, defence, energy and general engineering. The funding will complete the AMCC's essential range of factory-level metal casting/processing facilities and establish critical supporting research facilities for developing advanced metallic materials, as well as underpin component performance testing and create a suite for process modelling and simulation. The new centre will conduct high quality research on nucleation, liquid metal engineering, the development of advanced materials and more efficient casting/processing technologies.

In June 2015 the University was awarded a £1 million Economic and Social Research Council (ESRC) grant to look at how sporting and cultural activities can benefit people's wellbeing. The three-year grant, awarded by the What Works Centre for Wellbeing and the ESRC, is one of four collaborative awards considering evidence for wellbeing measures and translating them into easy-to-use information about effectiveness, cost and applicability. The full programme spans 12 universities and five civil society groups, and reaches internationally through the Organisation for Economic Co-operation and Development (OECD).

During 2014/15 the University also progressed its major research initiatives reported in last year's Research section of the Operating and Financial Review:-

- The first phase of the AMCC is jointly funded by Brunel, the Engineering and Physical Sciences Research Council (EPSRC), Jaguar Landrover – a major luxury car manufacturer and Constellium - a global aluminium automotive sheet and extrusions solutions provider. The Centre will initially serve the automotive industry, but the longer term aim is to extend its knowledge to other engineering sectors, including aerospace, defence, electronics and general engineering. The new facility will draw on the work performed at the Brunel Centre for Advanced Solidification Technology (BCAST) to improve the recyclability of metals.
- The University, partnered by the Universities of Manchester and Birmingham, is leading the establishment of The Centre for Sustainable Energy Use in Food chains (CSEF). Launched in September 2013, CSEF is one of five new End Use Energy Demand (EUED) research centres that look into the complexities of energy use across society and how energy can be both saved and used more efficiently. The Centre is developing innovative approaches, processes and technologies for energy demand reduction in all stages of the food chain: production, distribution, retail and consumption; and researchers are working closely with some of the UK's major food manufacturers, retailers, equipment manufacturers, scientific and technical providers and knowledge transfer networks. New facilities at the Centre were launched at a Research Council UK (RCUK) Day held in July 2015 at the University, attended by over 200 delegates from both industry and academia. Establishment of the Centre makes Brunel one of the key universities in both the UK and internationally for energy and food sustainability related research.
- In 2015 the University completed the procurement of £15 million of specialist equipment with funding from HEFCE as part of a new £60 million initiative to establish the National Centre for Structural Integrity (NSIRC). Brunel's lead co-partner for the new Centre, which is based in Cambridge, is the research and technology organization TWI Ltd. The Centre provides the most up-to-date facilities for engineering and materials research in the UK and provides a national research capability which will support economic growth by carrying out application-led research programmes with TWI and industry partners. Construction work on the NSIRC building in Cambridge was completed in early 2015, with research work starting at the Centre shortly afterwards. Collaborative work will continue to establish the necessary infrastructure to provide cutting edge facilities for engineering and materials and the eventual capacity to house more than 100 students and 50 staff. The project is progressing well and the quality of both staff and students attracted to NSIRC is high, with the MSc. in Structural Integrity entering its second year of recruitment in Autumn 2015.

In 2014/15 the University was awarded 171 (2013/14:189) new research grants and contracts with a combined value of £34.0 million, an increase of 43% compared with 2013/14's £23.7m – the single largest factor in this level of increase being the £15m AMCC2 capital grant noted above. This growth demonstrates how the University is succeeding in its strategy of focusing on its areas of research strengths. The income from research grants is recognised in the financial statements over a period averaging three years, as the work is performed. Income continues to be secured from a diverse portfolio of funding bodies, with 17% of

the £34.0 million total for 2014/15 being funded by the UK research councils and 83% from other sources including the EU.

Environmental Sustainability

The University continues to retain the internationally recognised environmental management standard ISO 14001. This demonstrates the University's commitment to protecting the environment and marks Brunel as a leading environmentally responsible institution through its operation and delivery of services, teaching and research. A number of higher education providers hold ISO 14001 accreditation, and of these only a few - including Brunel - hold it for the entire institution.

Despite the ongoing challenges presented by this year's Green League submission Brunel remains amongst the top half of universities and colleges for environmental performance. The Green League is going through a major review at present but is still the only comprehensive and independent league table of UK universities ranked by environmental and ethical performance.

The Carbon Management Plan, approved in June 2015, has been revised to reflect the achievements to date and the changing shape of the University. It details the revised targets and methods of supporting the published Higher Education Sectors carbon reduction targets, the mandatory UK Government targets and the Carbon Reduction Commitment Energy Efficiency Scheme. The University has committed to carbon reduction targets, against a 2005/06 baseline, of 43% by 2020/21.

The investment to date in carbon reduction projects, including those funded by the University's Rolling Green Fund, clearly shows the reductions in greenhouse gas emissions from Brunel's operation. Reductions of over 3,300 tonnes CO₂e (15.4%) have been achieved since 2010 despite fluctuating weather conditions and the University's development especially through higher academic research use.

Operating Results 2014/15

A summary of the University's Consolidated Income, Expenditure and Outturn for the year ended 31st July 2015 is provided in the table below which also identifies the operating cash flow, accumulated reserves excluding pension liability and the total cash and short term investments at the year end.

	2014/15	2013/14	2012/13
	£m	£m	£m
Income	200.7	192.4	183.5
Expenditure	(196.6)	(186.4)	(181.2)
Surplus/(Deficit) before exceptional items	4.1	6.0	2.3
Net operating cash inflow	12.8	26.7	13.2
Reserves excluding pension liability	185.5	180.9	173.5
Cash and short term investments	67.7	78.2	53.9

The University generated an operating surplus of £4.1 million for the 2014/15 year and a net cash flow from operating activities at the rate of 6.4% of income (£12.8 million). The cash balances at the end of 2013/14 and the operating cashflow for the 2013/14 year reflected a short term timing element, as cash payments for capital expenditure during 2014/15 included significant elements in respect of commitments entered into during 2013/14. We are in a position where we are able to invest in a planned capital programme to address a number of strategic objectives and this programme has commenced during 2014/15, reflected in the reduced cash balances compared with a year ago, but notably higher than two years ago.

Income

	2014/15	2013/14	2012/13
	£m	£m	£m
Funding Body Grants	28.6	32.0	39.7
Tuition Fees and Education Contracts	106.9	98.0	82.6
Research Grants and Contracts	21.9	21.6	19.8
Other Income	42.7	40.3	40.9
Endowment and Investment Income	0.6	0.5	0.5
Total Income	200.7	192.4	183.5

Total income for 2014/15 was £200.7 million, which represents an increase of £8.3 million or 4.3% compared with 2013/14. The overall rate of increase of total income is similar to the 4.9% increase recorded in 2013/14 and follows a period of more moderate growth in 2012/13 (2.3%) and in 2011/12 (0.5%). In accordance with our financial strategy, we have invested most of the increased income in our operations, while generating a level of cash that, combined with our cash reserves, allows us to fund capital plans over the medium term.

The third year of the transition of the funding regime for undergraduate tuition for HEU students from being primarily grant-based to mainly tuition fee based occurred in 2014/15, although Brunel has significant numbers of placement students undertaking four year courses and therefore the transition to the new regime for these students will not be complete until 2015/16. In 2010/11, prior to the start of reductions in government grant funding, 39% of our total income arose from tuition fees and education contracts compared with 31% of total income arising from grants received from funding bodies; in 2014/15, 53% of total income came from tuition fees and education contracts and just 14% from Funding Body grants.

Tuition fees overall increased by £8.9 million, exceeding the reduction in grant funding of £3.4 million. This relative movement is influenced by the additional numbers of international students who studied with us in 2014/15 compared with 2013/14; this is an important part of our overall strategy.

Research grant income increased slightly by £0.3 million or 1%, following on from a 9% increase in 2013/14 and also in 2012/13, the maintenance of the increased levels reflecting the success of the Research Strategy. As noted in the Research section of this Review, income from research grants is recognised in the financial statements over a period averaging three years, as the work is performed. The research grants awarded in 2014/15 of £34.0 million (2013/14: £23.7 million) will be reflected in the financial statements in future years as the work is performed over future years and should contribute to further growth in research income.

Other income increased by £2.4 million, or 6%, and consists of student residences income, conference, hotel, retail and also income from summer school activity for foreign language students on the campus. The levels of conference income increased notably in 2014/15, as our commercial services strategy was implemented, increasing the income from our on-site wholly-owned Lancaster Hotel and also from summer school activities. Increased levels of income from residences were invested in the residential estate, as part of the planned programme of accommodation improvements and maintenance over the medium term.

Expenditure

	2014/15 £m	2013/14 £m	2012/13 £m
Staff Costs	106.1	101.7	100.5
Other Operating Expenses	72.5	67.0	63.6
Depreciation	12.8	11.9	11.5
Interest Payable	5.2	5.8	5.6
Total Expenditure	196.6	186.4	181.2

Overall expenditure was £10.2 million higher than in 2013/14, £1.9 million higher than the increase to income, resulting in the reduction of the overall surplus to £4.1 million from £6.0 million in 2013/14.

Staff costs were £4.4 million (or 4.3%) higher at £106.1 million. The significant level of increase reflects the effect of efforts made in 2013/14 to defer recruitment and the associated costs until 2014/15 as we planned the investment in academic resources that we made as part of the TxP process. We noted in last year's report that this investment in staff would be reflected in 2014/15. There was also an impact from higher employer contribution costs to the London Pensions Fund Authority Scheme and the Teachers Pension Scheme following actuarial valuations, and there will be an impact starting from April 2016 on the employer contribution costs for the largest pension scheme, the University Superannuation Scheme (USS).

Other operating expenses of £72.5 million increased by £5.5 million, with significantly increased maintenance and repairs expenditure (2014/15: £12.6 million, 2013/14: £10.4 million) a feature later in the financial year as we undertook work on a number of our student residence and academic buildings. Maintenance expenditure and capital expenditure on the campus infrastructure are managed together, with the increased levels of maintenance expenditure compared with recent years reflecting a recognition that we should invest in the residential and academic estate to improve our student experience; we will continue to incur increased levels of expenditure in this area as our residential accommodation constructed in the first decade of this century will require higher levels of maintenance and refurbishment than in the first years of its life. We also incurred higher other operating expenses in a number of departments as we implemented our TxP programme, as well as incurring some increased costs associated with increased income from catering and conference operations.

Depreciation costs increased by £0.9 million compared with 2013/14, reflecting the full year impact of depreciating capital equipment, including NSIRC equipment and also equipment for the CSEF, purchased during 2013/14 and 2014/15.

Capital Expenditure

Capital expenditure totalled £25.9 million in 2014/15, significantly higher than in 2013/14 (£7.2 million), as we implemented our planned programme of capital investment to address our strategic priorities. Significant expenditure in 2014/15 included the majority of the £15 million NSIRC capital equipment, and also construction work on the AMCC and the CSEF, as detailed in the Research section of this report.

A 10-year rolling programme of estate investment and maintenance is continually updated to take into account the changing needs and developments in the University and this is subjected to regular scrutiny by the University's Council. Current and future capital plans include the refurbishment of the Wilfred Brown Building (partly funded by a STEM capital grant from HEFCE, as detailed in the Strategic Developments section of this report), the AMCC2 project noted in the Research section of this report, and three potential priority projects of a new engineering complex, a new teaching and learning centre and a sports, health and wellbeing centre. The three potential projects are being scoped and will be subject to review and approval through the University's assurance and governance processes; the timing and quantum of these projects have yet to be confirmed and the capital plans can be postponed or amended, should the relative priorities and requirements of the University develop and change over the medium term.

Cash and Debt

The University generated £12.8 million in cash from operating activities and ended the year with a balance of £67.7 million in cash and short term investments. The cash balances reached over £105 million at their highest point during the year and were at their lowest level of £67.7 million at the end of the financial year, indicating the variability of the cash levels that we manage. The University has long term debt of £89.2 million which extends for a further 25 years (until 2040) when a final payment of £27.2 million needs to be made. The University has a series of interest rate swap agreements, which result in a net interest rate on the long term loans of 4.6% throughout their term. The borrowings have been used to fund the Student Residences which are wholly owned by the University and which generate a gross income of £26 million per year. This income can reasonably be expected to track inflation in future years whilst the interest payments are fixed.

The University has a detailed treasury management policy in place which includes limits on deposits and the institutions where these can be placed. The University has considered using its cash reserves to pay down some of its total debt but considers that it should retain the flexibility of keeping the cash on hand during this uncertain period and also with a view to its short to medium term capital expenditure plans and options. It would be impossible to re-borrow on such terms in the current market. Although most institutions are offering very low rates on cash balances and short term investments, the strategy has been to seek security rather than return. The strategy and the treasury policy are reviewed regularly by the Finance Committee under its Terms of Reference and the Committee also reviews the deposit activity each quarter. Particular attention is paid to counter-party risk, with alterations to the policy to include only the highest-rated UK banking institutions on the list of the University's approved counter-parties.

Financial Sustainability

The summarised financial strategy is to deliver the finances to enable the University to fulfil its mission and to meet its strategic and operational objectives in a sustainable way. The University monitors the achievement of this strategy through various analyses, with the principal high level series of indicators being the seven KPIs prescribed by HEFCE. HEFCE formally assesses all universities on an annual basis against these indicators as part of its regulatory role and also publishes consolidated forecasts for the sector, based on the returns of all institutions.

The KPI of the University's ability to respond to short term financial pressures is that of Net Liquidity. The University's cash position stood at £68 million or 134 days of general expenditure (excluding depreciation) at 31st July 2015, compared with last year's figure of 164 days when the sector mean was 122 days. The KPI of surplus to income for 2014/15, at 2.0% is lower than the 2013/14 surplus margin of 3.1%, but as noted in previous reports, with our strong levels of balance sheet cash and net liquidity, we consider that we should prioritise investment in teaching, research and non-academic services in contrast to recording levels of surplus in excess of our requirements. The KPI of operating cash flow as a percentage of income for 2014/15 was 6.4%, lower than last year's figure of 13.9% and last year's sector average of 8.4%, but is stated after a timing impact on our working capital levels which will be neutral over the medium term. Our ratio of external debt to income was 45.2%, reduced from 47.9% in 2013/14 and 50.8% in 2012/13; this ratio has reduced steadily over time as our income levels have increased and our debt levels have reduced. Our discretionary reserves to income ratio of 93.1% is one of the highest in the sector.

Separately to the HEFCE institutional risk assessment, the University continues to conduct a formal assessment of the going concern status of the University, taking into account the guidance produced by the Final Report and Recommendations of the Sharman Panel of Inquiry which was published in June 2012. The guidance asks the University to review both: solvency - the ability of the University to meet its liabilities in full, ensuring there is sufficient capital so that there is an excess of assets over liabilities; and liquidity - the ability of the University to liquidate its assets at the velocity needed to meet its liabilities as they fall due. The formal conclusion of the assessment undertaken in November 2015 is that the University meets the requirement that "it has a reasonable expectation it has sufficient resources to continue operations for the foreseeable future and the going concern basis continues to be appropriate for preparing the annual financial statements".

In July 2015 the University submitted its financial forecast for the future years to 2017/18 to HEFCE as part of the annual regulatory requirements. The forecast considered the likely impact of the developing sectoral changes, including competition for students and for research grants. Student numbers, particularly HEU undergraduates, have been forecast cautiously, reflecting our recent experience and taking account of potential responses by other institutions to the competitive market for student recruitment and for research funding. Research grant income is forecast to increase, as we continue to increase both the levels of grants awarded and also mainstream quality-related research funding from HEFCE. We have also forecast an impact from reductions in overall Government funding for both teaching and research, reflecting the indications from the Government and from HEFCE on future funding for the sector. There are also internal pressures factored: for the refurbishment of the Wilfred Brown Building there will be additional costs involved in start-up and ongoing running costs; our 50th anniversary celebrations in 2016 will require an amount of investment although it is anticipated the fundraising campaign will provide investment potential for the future.

The University plans to spend c£150 million on Capital projects over the next 3-5 years, as detailed within the Capital Expenditure section of this report. Due to the significant levels of cash that the University has accumulated in recent years, the financial strategy does not require the generation of significant accounting surpluses. As a result we will seek to maintain repairs and maintenance and improvements to the estate and its infrastructure including investments that cannot be capitalised. This approach of managing expenditure to targeted levels will help the University to deliver on its Strategic Plan and optimise the student experience. We will still target operating surpluses, plan to be sufficiently cash generative at the operating level to meet our capital plans and seek to maintain Discretionary reserves at the level of 95% of income.

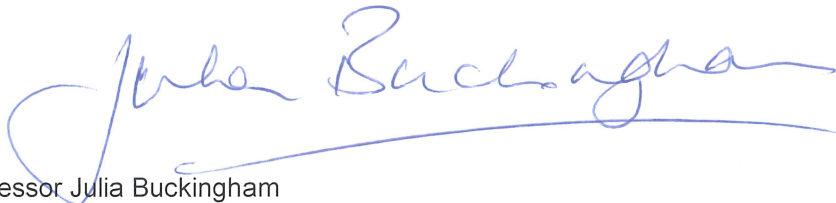
We are conscious that we operate in an environment in which Government funding for the sector will be lower following the Spending Review 2015 in November 2015. The effects are likely to include reductions in HEFCE funding for teaching, including high cost science subjects, and there will also be increased competition for students at all levels both at home and overseas. Our strategy takes account of these external pressures and reflects the need to target investment so that we focus on the priorities outlined in our Strategic Plan. We must also take account of the impact of political pressure on immigration policy affecting overseas student recruitment, possible exit from the EU following the proposed 2017 referendum on membership, the size and distribution of research funding, volatile economies both in the UK and abroad, and the growing expectations of stakeholders.

There is increased competition for student recruitment from other HEIs in the UK and abroad, and the changes in regulations of the points-based visa system for international students and the threat of exchange rate variability could also reduce the numbers of international students. The tuition fee structure introduced for 2012/13 entry for HEU undergraduates has increased competition between universities and the abolition of student number controls is likely to increase this trend. The new Government has recently indicated that it will introduce a framework to recognise universities offering the highest teaching quality, and the resulting measures that will be introduced are likely to alter the tuition fee structure and increase competition for student recruitment further. The Government has also indicated that it will increase further the controls on international student visas, which could result in reduced levels of applications and enrolment in the sector and the University from international students. Given levels of tuition fee loan debt for undergraduate studies, and with the forthcoming abolition of maintenance grants for disadvantaged students to be replaced by loans, there may be an adverse impact on the numbers of graduates who are inclined, or able, to take out loans for further Masters study. The University must ensure it continues to respond positively to the changing landscape, improving the quality of its teaching and its student experience.

We have detailed how we are seeking to secure Brunel's position as an internationally competitive research-intensive university, including the TxP programme outlined in the first section of this report. The benefits being realised from TxP for education include the development of innovative approaches to learning and improved quality of teaching, enhanced placement and employment prospects for undergraduate and postgraduate students and early career researchers, the recruitment of high quality students and a raised value, reputation and competitiveness of Brunel degrees. For research, the benefits include increased quality, volume and impact of research, building on our recent successes in the 2014 REF. We are focused on the creation and expansion of critical mass in key areas of research in which Brunel is, or has the potential to be, internationally competitive.

The overall conclusion of our review of financial sustainability is that although there is a considerable uncertainty regarding future funding for the Higher Education sector, Brunel is currently in a good financial

position relative to the sector, and has adopted, and operates, a suitable strategy to address the challenges that the University faces. We have noted above that Government policy towards Higher Education funding will reduce funding for the sector, particularly over the short and medium term as reductions in budgets for Government departments take effect. While the detailed financial implications are not yet clear, we remain cautious on the overall framework for Government funding of Higher Education. The University will follow developments in the sector closely and with substantial cash reserves of £68m available to it at 31st July 2015, is well positioned to respond and to act for the medium and long term benefit of the students, staff and alumni of the University and for society more widely.

A handwritten signature in blue ink, reading "Julia Buckingham", with a long horizontal flourish extending from the end of the name.

Professor Julia Buckingham
Vice Chancellor and President

Brunel University London is an exempt charity within the meaning of Schedule 3 of the Charities Act 2011 (formerly Schedule 2 of the Charities Act 1993). HEFCE is the principal regulator of the University both as a Higher Education Institution and as a Charity. The University has no connected charities attached to it. The members of the Council of the University are the charity trustees of the University. The members of the Council of the University have had due regard to the Charity Commission guidance on public benefit, including the applicable details contained in the Advancement of Education for the Public Benefit.

The objects of the University are set out in its Royal Charter as being to advance learning and knowledge by teaching, scholarship and learning, and research and enterprise for the benefit of individuals and society at large. The members of Council are particularly concerned that the University should provide education such that students upon graduation are possessed not only of a range of academic learning but know also the relevance of that learning to society. This has been distilled into our mission statement:

To create knowledge and advance understanding, and equip versatile graduates with the confidence to apply what they have learnt for the benefit of society

Widening Participation (WP)

Members of Council are keen to ensure that the benefits of learning are available to all potential students, whatever their background, who have the ability to successfully complete their chosen course and that the University aims to create a student body that is balanced and diverse in terms of cultural background and experience. To achieve these aims the University has developed a Widening Participation Strategic Statement (WPSS), funded by HEFCE Student Opportunity allocation, which outlines the University's approach to increasing take-up of Higher Education by under-represented groups.

Brunel's WP Programme was cited as an example of best practice by OFFA in its 2014 annual report which stated: "Brunel University's approach to access encompasses not only outreach and financial support but also activity to improve retention and success. It focuses on employer engagement to improve job prospects, including a programme of mentoring for undergraduates by professionals who work in a sector or industry related to the student's subject or career aspiration."

WP activities in 2014-15 were targeted at students from under-represented groups with particular emphasis on students with disabilities and care-leavers. The aim is to consolidate work carried out to date to ensure that Brunel continues to exceed its WP benchmarks in key areas and endeavours to meet its benchmarks in areas where it currently falls short by concentrating its activities on specific institutions and groups.

The University's performance against the main aims (noted in italics) of the Strategic Statement is detailed below. The statistical data is the most recent verified and published by HESA and refers to 2013/14:

- *To increase the number of students attending Brunel from Low Participation Neighbourhoods (LPNs).* The number of young full time first degree students from LPNs has increased from the baseline of 5.2% in 2011/12 to 5.7% in 2013/14 using the same Polar 3 method of calculation and against a target of a 0.2% annual increase. In 2013/14 Brunel met its HEFCE location-adjusted benchmark for students from LPNs for the first time since 2007/8.
- *To encourage and support the application, transition, progression and retention of specific cohorts of WP students e.g. the disabled, care leavers, BTEC and mature, full-time first degree students from LPNs.* The number of full time first degree students in receipt of the Disability Support Allowance has increased from a baseline of 3.8% set in 2008 to 8.7% in 2013/14, exceeding the HEFCE benchmark of 6.5%. The WP Office has helped to organise outreach activities for prospective disabled students and their parents/carers as well as on-campus events to support transition. In line with its Commitment to Care Leavers for which it was awarded the Buttle UK Quality Mark, the University has continued to work closely with the London Borough of Hillingdon Virtual School, organising a residential motivational event in July 2015. The Care Leaver/Foyer Federation bursary of £1,000 per annum first introduced for entrants in 2013 was awarded to 8 undergraduates from a care background in 2014/15.

- *To improve the transition, progression and, in particular, the retention and employability of all WP students.* Evidence of activity to support the transition, progression, retention and employability of all WP students during 2014/15 includes the expanded roll-out of the 2013/14 pilot WP Internship project to support the employability of 92 under-represented undergraduates.

The WP Office has also continued to operate two strands of Professional Mentoring for UK second year undergraduates from widening participation backgrounds and under-represented ethnic minorities. The Ethnic Minority Undergraduate Scheme (EMUS) targets undergraduates from ethnic minority backgrounds and is managed in collaboration with the National Mentoring Consortium (NMC). Both programmes draw on experienced individuals from employers in the private and public sectors. There were 77 participants in 2014/15.

Bursaries and Student Financial Support

The University offers bursaries, fee waivers and financial support to a wide range of students of limited financial means from different backgrounds and with different talents, and introduced over 500 new undergraduate scholarships for 2014/15, with a comparable number available for 2015/16. More than one in five applicants who joined Brunel in 2014/15 received financial support from the University.

In addition to this assistance, there is a range of postgraduate scholarships, studentships and bursaries for both masters and doctoral students. The women in Engineering programme, funded by HEFCE, has been very successful in supporting women graduates who wish to undertake a masters course in engineering. The programme has provided funding for 30 women, as well as mentors from industry who help the students develop their careers in industry.

The full range of financial assistance available to students is advertised on the University's external and internal websites.

Research

As well as the larger strategic research activities detailed in the main Research section of this Review, additional examples of societal public benefit research activities undertaken in 2014/15 by the University include:

Cumberland Initiative - The Brunel-led Cumberland Initiative is opening a 'living lab' for clinicians and health managers to play 'war games' with the NHS using large scale computer gaming and other modelling techniques. The lab also includes a mocked up A&E where clinicians and managers can try out different scenarios for making emergency departments more effective - without practising new ideas on sick patients in a busy hospital. The 'CumberLab' aims to be a national test bed for NHS innovation, and opened for business on July 6 in Slough. The Cumberland Initiative provides a mixed group of academics, clinicians and computer simulation firms to help. They believe 'stronger is better' and their aim in the coming year is to get 30 projects up and running across the UK.

Wastewater Cleansing – Aquatic toxicity researchers at Brunel have made a significant development in ridding drinking water and waterways of oestrogenic hormones and pharmaceuticals that pass through conventional wastewater treatment plants. The team tested the efficacy and safety of Tetra-amido macrocyclic ligandstiny (TAML) man-made catalysts that activate nature's own oxidants hydrogen peroxide and oxygen. They found that, once mixed, they effectively removed ethynylestradiol (EE2), a contraceptive pill hormone, from treated wastewater samples. Earlier work at Brunel University London found that male fish in water sources containing the pollutant underwent a process of feminisation, causing male fish to display female sexual characteristics, including female reproductive anatomy. However, on treating the water with the catalysts, the feminisation of male fish in the water was significantly reversed with no discernible adverse effects. The government estimates that 1,360 UK sewage plants would fail European

Union proposed standards for EE2, yet it would cost tens of billions of Euros to upgrade them with ozone or carbon-activated treatment technology, which also have large carbon footprints. The researchers believe TAML activators could be the solution – just a kilogram of catalyst could treat tens of thousands of tons of wastewater.

Breastfeeding for Longer – University researchers calculated that the NHS could save more than £40 million a year by increasing the length of time that mothers breastfeed, with the savings coming from a reduction in both common childhood diseases and the risk of maternal breast cancer, which are linked to low rates of breastfeeding. The research demonstrates that doubling the number of mothers who breastfeed their babies for seven months or more could save £31m annually, while if mothers who breastfeed for one week continued to do so for four months a further £11m would be saved. Another £6m could be saved if more babies in neonatal care received breast milk, either from their mother or donation. To calculate the savings from improving breastfeeding rates, the research team focused on five diseases for which there is good quality evidence on the impact of breastfeeding. For infants, these were gastrointestinal infection (GI), lower respiratory tract infection (LRTI) and acute otitis media (AOM); necrotising enterocolitis (NEC) in preterm babies; and breast cancer (BC) in mothers. The research team emphasised that the objective was not about persuading more women to breastfeed but to reassure policymakers that there is a return on investment in early help for mothers who have shown they want to breastfeed.

Online training to help stop violence against children and young people - A ground-breaking set of online training tools will help teachers, youth workers and health professionals across Europe identify and challenge controlling and abusive behaviour against young people. It follows the two-year GAP WORK Project, led by academics at Brunel, which trained professionals to spot and intervene where sexist, sexualising, homophobic and controlling behaviour are present in the peer cultures of the young people they work with. The online tools have been developed to train practitioners and for direct use in work with children and young people. They aim to ensure that young people affected by gender-related violence are quickly referred to appropriate support services. The European Union-funded project, which ran free workshops for more than 800 practitioners in Ireland, Spain, Italy and the UK, responded to the gender-related violence that is increasingly prevalent among young people, but that professionals have usually had very little training to deal with.

Open Access Publishing

The aim of Open Access publishing is to make primary, peer-reviewed literature available, free of charge at the point of use. The University requires all research outputs to be made available on Open Access (subject to publisher's copyright permissions) as mandated by the HEFCE policy for the next REF, the Government mandate for funded research and the University policy. In the year to July 2015 2,287 new records were added to Brunel University Research Archive (BURA), an increase of 105% on the figure for the previous year. The total number of records on BURA (as at 31st July 2015) is 10,147, a 28% increase on the figure recorded on the same date last year.

Research Data Management (RDM) is an area of increased focus for the Government and research funding councils. The Government's push towards Open Access for publicly funded research has led to Research Councils UK (RCUK) taking steps to ensure that research data is published via open access mechanisms. For example, the EPSRC, a key funder, has mandated that from May 1st 2015, data should be published alongside the publication with a link to the data in a suitable open access repository. The University and its researchers therefore have obligations to appropriately manage, store and provide access to research data. To support this, a RDM policy for the University was approved by Senate in June 2014 which builds on the previous statement for managing research data approved in November 2011. Under the policy, all researchers, whether they are funded or not, are expected to prepare a research data management plan and to manage and publish research data appropriately.

The University's Library research support service team has been working with key academic and research support stakeholders in Colleges, Institutes and central services to develop RDM services for the University's research community. The University has appointed staff whose responsibilities include developing convenient, easy to access web based guidance, creating and delivering training on RDM and monitoring

compliance, in particular with the EPSRC research data policy. The Library has also launched a research data archive, Brunel Figshare, to help researchers store and publish Brunel research data and comply with institutional and funder requirements.

Public Lecture Series

Brunel University's annual Public Lecture Series has been running since 2009. Attendance at the lectures is free and is open to the public. For the Spring 2015 phase, the broad overarching theme was again 'Visions of the Future' continuing from the 2014 series given by Professor AC Grayling, the Rt Hon David Willetts MP and Professor Lord Robert Winston.

The 2015 speakers were Peter Beresford OBE, Professor of Social Policy at Brunel University London, who spoke on the related issues of government funding of social care, the strains imposed on the NHS and improving the quality of life in older age; Sir Mark Walport, the Government's Chief Scientific Adviser, who spoke on the theme of how to ensure that the best science and engineering advice is applied to government policy and decision-making on topical issues ranging from flooding to the internet; and Dame Mary Archer DBE, Chair of the Science Museums Group, who outlined the crucial role of science in the history of good health, and discussed potential future developments in human wellbeing.

Heathrow Aviation Engineering University Technology College

The Heathrow Aviation Engineering University Technical College (UTC), which Brunel is sponsoring, along with British Airways, Heathrow Airports, Virgin Atlantic and the RAF, entered its second year of operation in its new £7.8 million building in Northwood. The new building was formally opened by Lord Baker at an event in May 2015. Under the leadership of the Principal, a teaching team of 17 staff has recently accepted its second intake of pupils at key-stages 10 and 12.

A key feature of the UTC is to provide an excellent grounding in mathematics, science and engineering in a practical context for the 14-19 age group. The UTC meets the educational requirements of a significant proportion of students who would benefit from more practical and technical provision, and will meet the growing local need for technically competent, employable young people to join the expanding aviation industry.

Brunel University London forms part of the governance structure of the UTC and provides practical assistance in the form of input to curriculum development and delivery as well as support through its Widening Participation and Schools Liaison activities.

Brunel Volunteers

Brunel Volunteers is part of Brunel's Student Services. The department works with charities and organisations to facilitate volunteering opportunities for students and staff to engage with the local and wider community. These opportunities not only support charities, not for profit organisations and community projects, they help students build skills relevant to future employment and explore different career paths before entering the graduate recruitment market.

During 2014/15 719 students completed 17,886 hours of volunteering in the local community. Beneficiaries of the work of Brunel Volunteers included, Oxfam, Activity 4 Kids, Age UK Hillingdon, Different Strokes, the Girl Guides and Disablement Association Hillingdon (DASH). An example of the type of activities supported by Brunel Volunteers is the Maths Mentoring Scheme, where volunteers with a mathematics background have been providing maths tutoring to students at Stockley Academy and also encouraging local children to get active by providing sports coaching for local children with Kith and Kids and Activity4kids.

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 a corporation formed by Royal Charter with charitable status. 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. Under the Statutes, the University may have another body, the Court. The University has constituted its Court, which does not have any legal or other powers in respect of the University. The role and effectiveness of Court was reviewed in 2009, and Council agreed that its role should continue as the body through which the University maintains influential contact with the wider community.

The Council is the governing body of the institution and in exercising its role and powers undertakes to meet the obligations placed upon the institution by the founding Charter of the University and on its members as Charity Trustees. This establishes the University as both a teaching and learning institution providing education in various branches of scholarship as determined by the University and also as an institution making provision for research and dissemination of knowledge. Council is responsible for setting the strategic direction of the University, and for the finance, property, investments and general business of the University and is required to present audited financial statements for each financial year. Council approves major developments and receives regular reports from Executive Officers on the day to day operations of its business and its subsidiaries. Its objects, powers and framework of governance are set out in the Charter and its supporting Statutes, the versions applicable in 2014/15 were approved by the Privy Council in July 2014 [at the Privy Council meeting on 16th July 2014 Her Majesty approved an Order granting a Supplemental Charter to the University. From 1 August 2014 the formal name of the University became Brunel University London]. An Order of the Privy Council granting approval to amendment the Statutes of the University was granted on 22 May 2015.

In 2014/15, the matters specifically reserved to the Council for decision were set out in the University's Supplemental Charter and the Ordinances. 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). Council 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 receives any payment, apart from the reimbursement of expenses, for the work they do for the University. Not only does the University comply with all mandatory requirements, but it also strives to operate that guidance which represents best practice and accordingly, the Council has taken account of the UK Corporate Governance Code, the HEFCE Accounts Direction requirements and HEFCE's Memorandum of Assurance and Accountability. The University agreed in principle to adopt the Committee of University Chairs (CUC) Higher Education Code of Governance 2014 (the Code) at its meeting of Council on 29 January 2015. Over the course of the 2014/15 academic year the University went through a process of applying the Primary Elements of the Code. It was agreed that the adoption and application of the Code would be effective from the start of the 2015/16 academic year.

Some examples of how the University has approached applying the Code are set out below:

Primary Element 1

The University was fully compliant throughout the accounting period with these provisions of the CUC Code. Student and staff members of the governing body do share the same legal responsibilities and obligations as other members and are not routinely excluded from discussions. In relation to Primary Element 1.4, staff and student members are invited to attend by the Chair of Council. The occasions when this may not be extended are when matters such as staffing and disciplinary issues are considered. This is applied exceptionally and normally for example when it is necessary to maintain confidentiality in respect of a named individual or where the release of information may endanger the health and safety of individual(s). Provision for such exclusion is maintained in the Articles of the University.

Primary Element 2

The University was fully compliant throughout the accounting period with these provisions of the CUC Code. Council does make provision to ensure that it does ensure that the Union of Brunel Students operates in a fair and democratic manner and is aware of where its responsibilities lie in this respect in relation to the Charity Commission.

Primary Element 3

The University is now compliant with these provisions of the CUC Code, most of which is evidenced by the information provided with the financial statements. The Vice Chancellor provides regular reports to Council on strategic development and the Executive provides information on institutional sustainability, monitoring the performance and usage of public funds. There are annual reports from Audit Committee to Council and reports following each meeting when there are issues to report. Audit Committee is made up entirely of independent members. Audit Committee has data quality as a standing item on its agenda and matters are reported in the Annual Report of the Audit Committee.

The University's Remuneration Committee has considered the Primary Elements that relate to its business and considers it will be fully compliant once it issues its annual report to Council which will summarise the business of the Committee and sets out how the Committee has discharged its responsibilities as set out within its terms of reference.

Primary Element 4

The University was fully compliant throughout the accounting period with these provisions of the CUC Code. Senate provides reports to Council following each of its meetings. The Charter, Statutes and Ordinances set out how academic governance operates within the University and the principle of academic freedom is enshrined in the Charter.

Primary Element 5

The University was fully compliant throughout the accounting period with these provisions of the CUC Code.

Primary Element 6

The University considers it can demonstrate full compliance throughout the accounting period with these provisions of the CUC Code and takes significant steps to comply with equality and diversity legislation. Council receives annual reports on equality and diversity in relation to staff and students which covers reports based HESA data, the NSS and the ECU. Council has sought to diversify its membership and details are set out in the Annual Monitoring Statement. It has not sought to apply quotas regarding the suitability of candidates to assume responsibility for Council Membership as being the overriding criteria. Council is in the process of conducting a review of its equality and diversity strategy which will lay the foundations for activities in this area for the foreseeable future.

Primary Element 7

The University was fully compliant throughout the accounting period with these provisions of the CUC Code as evidenced by the information provided with the financial statements. The roles of the Chair and Deputy Chair are codified and that of the Secretary is clearly defined. Plans are in place to have an effectiveness review to build upon the governance review work that has been conducted over recent years.

Appendices

The Statement of Primary Responsibilities set out in the Code is closely aligned to the one adopted by Council.

The full corporate governance statement in relation to the CUC Code, which sets out its governance arrangements and details how it meets all legal and regulatory requirements, is reviewed annually and

published on the University's website. Further details of how the CUC Code has been applied are set out below and in the Annual Report of the Audit Committee.

The Senate is the academic authority of the University, as delegated by Council, and draws its membership entirely from the academic staff and the students of the University. The Senate, subject to the Statutes and Ordinances, is responsible for the academic standards of the University and the regulation of academic matters. Senate completed an effectiveness review as part of the TxP programme over the course of the 2013/14 academic year.

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 Memorandum of Assurance and Accountability between the University and HEFCE, the Vice-Chancellor is the accounting officer of the University. The role of Chair of Council is separated from the role of the University's Chief Executive, the Vice-Chancellor.

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 Deputy Vice-Chancellors, Deans, Directors of the Research Institutes, 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 to Council.

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.

The Council met five times in the 2014/15 academic year. It is anticipated that it will meet on 5-6 occasions in 2015/16. There are several Committees of Council that are formally constituted 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 entirely composed 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.

In respect of its strategic and development responsibilities, Council receives recommendations and advice from the Executive Board.

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 reports to 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, leadership of committees and advice on governance.

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 HEFCE. 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 HEFCE. 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. It is the Audit Committee that formally recommends the annual audited accounts to Council.

Special Projects Committee undertakes due diligence enquiries and necessary scrutiny on behalf of Council on matters of strategic or fundamental importance to the University. It is chaired by an independent member of Council and its membership is made up of the Deputy Chair of Council, a Member of Finance Committee, a Member of Audit Committee, three members of Council [two being independent members of Council]. Special Projects Committee meets on an ad hoc basis and reports its findings to Council.

Council also appoints members to joint committees with Senate including the Equal Opportunities and Human Resources Committee and Honorary Degrees Committee. Each of these committees is formally constituted with terms of reference and includes three independent members of Council.

Council has an Ethics Advisory Committee for the University to monitor the impact of ethical issues or dilemmas that are relevant to the business of the University.

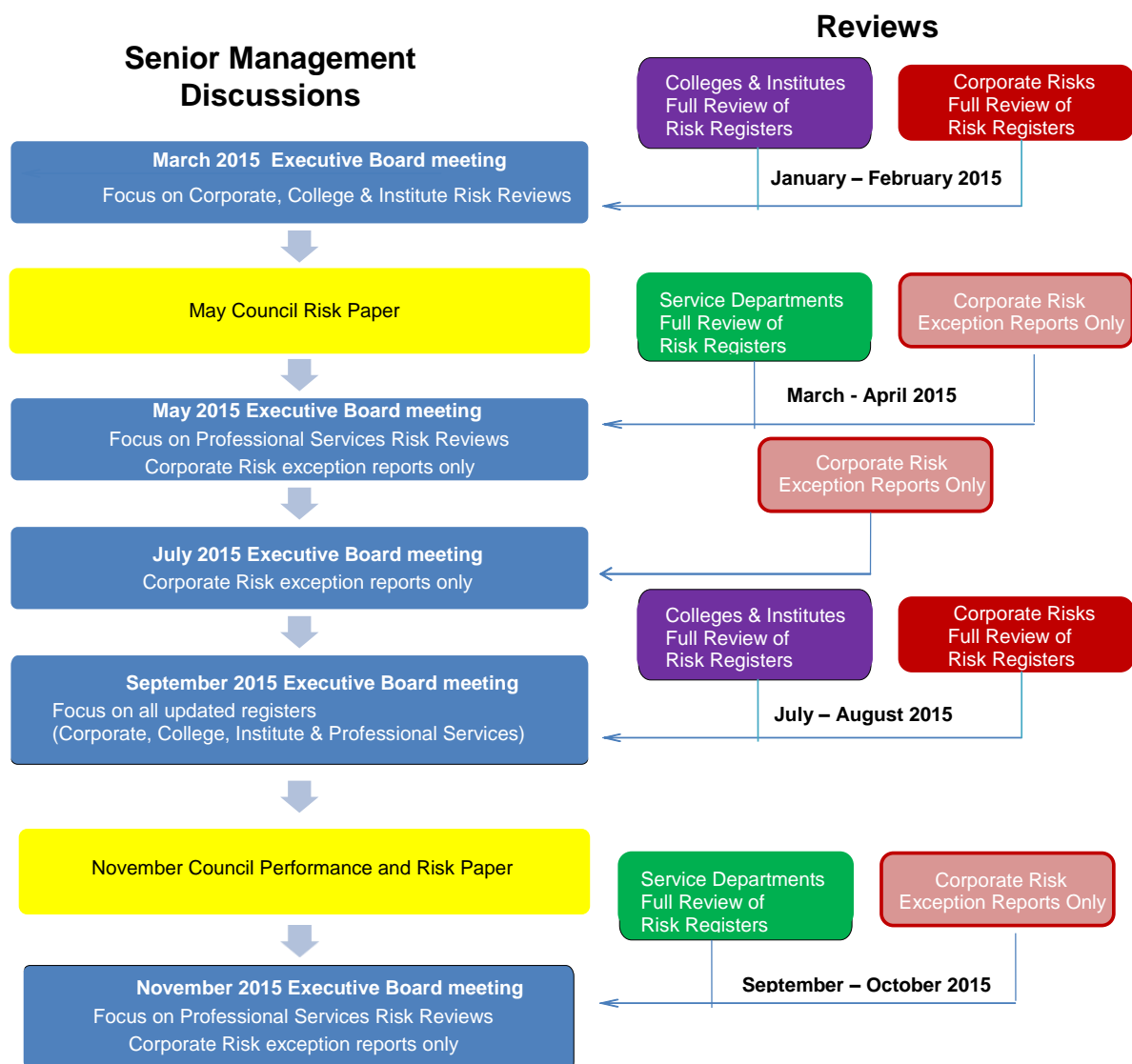
Day-to-day management of the University is conducted through the Vice-Chancellor's Advisory Group and the Executive Board. The Executive Board normally meets monthly to consider the strategic and financial direction of the University.

The attendance record for members of Council and its Committees was monitored over the course of the year and the average attendance achieved in 2014/15 was again over 90%.

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 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 Memorandum of Assurance and Accountability 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 31st July 2003. A new risk framework was approved by Council in 2012/13 and in January 2015 the process of reviewing all University and business unit risk registers, reporting changes and seeking approval for changes that forms part of the annual risk management activities was revised and is set out below:



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.

Professor Julia Buckingham is the University's Vice-Chancellor and President and is the principal academic and administrative officer of the University. The three Deputy Vice Chancellors are her deputies and have specific responsibility for academic matters within the University. The three Pro-Vice-Chancellors have specific responsibilities for major policy areas, whilst responsibility for administrative services is shared between the Chief Operating Officer and the Director of Finance. Council is kept informed of the key decisions and discussions of the Executive Board via the Vice-Chancellor's Report which is also given to the University's Senate meetings.

Brunel University London

Statement of Primary Responsibilities of the University Council

The University's Council, as part of its responsibility to establish processes to monitor and evaluate the performance and effectiveness of the Council itself, is currently undertaking a review which will consider the primary responsibilities of Council and the committee structures and processes that are adopted to carry out these responsibilities. The current principal responsibilities of the Council are as follows:

1.1 To make a contribution to and approve the mission, vision and strategic direction of the University. Subject to consultation with Senate on matters with implications for academic policy, to approve the long term academic and business plans and key performance indicators and to ensure that these meet the interests of the stakeholders and are compliant with the charitable objectives of the University.

1.2 To delegate authority to the Vice-Chancellor, as chief executive, for the academic, corporate, financial, estate and personnel management of the institution.

1.3 To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment.

1.4 To ensure the establishment and monitoring of procedures for handling internal grievances and for managing conflicts of interest.

1.5 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 appropriately benchmarked against other comparable institutions.

1.6 To establish processes to monitor and evaluate the performance and effectiveness of the Council itself.

1.7 To safeguard and promote the good name and values of Brunel University London embracing the principles of corporate social responsibility.

1.8 To appoint the Vice-Chancellor as chief executive, to put in place suitable arrangements for monitoring his/her performance and, where deemed necessary, having responsibility to commence any disciplinary measures it considers appropriate including dismissal.

1.9 To appoint a secretary to the governing body and to ensure that, if the person appointed has managerial responsibilities in the institution, there is an appropriate separation in the lines of accountability.

1.10 To be the employing authority for all staff in the University, to have regard for their well-being and for establishing a human resources strategy.

1.11 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, to have overall responsibility for the University's assets, property and estate and to comply with the requirements of the sector regulators as defined periodically.

1.12 To be the University's legal authority and, as such, to ensure that systems are in place for meeting the University's legal obligations, including those arising from contracts and other legal commitments made in the name of Brunel University London.

1.13 To make such provision as it thinks fit for the general welfare of students, in consultation with the Senate.

1.14 To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the University.

1.15 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.

Brunel University London

Council's Responsibility for the Financial Statements

In accordance with the University's Royal Charter, the Council of Brunel University London 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 Memorandum of Assurance and Accountability agreed between HEFCE 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 has ensured that:

- suitable accounting policies are selected and applied consistently;
- judgments and estimates made are reasonable and prudent;
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and,
- financial statements are prepared on the going concern basis.

The Council has taken reasonable steps to:

- ensure that funds from the HEFCE and the National College for Teaching and Leadership (NCTL) are used only for the purposes for which they have been given and in accordance with the Memorandum of Assurance and Accountability with HEFCE and the respective Funding Agreement with the NCTL 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 including 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 auditor's report to the Council of Brunel University London

We have audited the group and University financial statements (the "financial statements") of Brunel University London for the year ended 31 July 2015 which comprise the Consolidated Income and Expenditure Account, the Consolidated and University Balance Sheets, the Consolidated Cash Flow Statement, the Statement of Consolidated Total Recognised Gains and Losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the University Council, in accordance with the Charters and Statutes of the University. Our audit work has been undertaken so that we might state to the University 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 University for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the University Council and Auditor

As explained more fully in the Statement of Primary Responsibilities of the University Council set out on page 29 the University Council is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express an opinion, on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and University's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the University Council; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the affairs of the Group and University as at 31 July 2015 and of the Group's income and expenditure, recognised gains and losses and cash flows for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and with the 2007 Statement of Recommended Practice – Accounting for Further and Higher Education; and
- meet the requirements of HEFCE's Accounts direction to higher education institutions for 2014-15 financial statements.

Independent auditor's report to the Council of Brunel University London

Opinion on other matters prescribed in the HEFCE Audit Code of Practice issued under the Further and Higher Education Act 1992

In our opinion, in all material respects:

- funds from whatever source administered by the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- income has been applied in accordance with the University's Statutes;
- funds provided by HEFCE have been applied in accordance with the Memorandum of Assurance and Accountability and any other terms and conditions attached to them; and
- the corporate governance and internal control requirements of HEFCE's Accounts direction to higher education institutions for 2014-15 financial statements have been met.



Andrew Sayers
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London E14 5GL
27 November 2015

- (a) The maintenance and integrity of the Brunel University London website is the responsibility of the governing body; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- (b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Brunel University London

Statement of principal accounting policies

Basis of preparation

These financial statements have been prepared in accordance with both the applicable Statement of Recommended Practice - Accounting for Further and Higher Education Institutions (SORP 2007) and applicable United Kingdom Accounting Standards including any standards issued more recently than the SORP such as heritage assets FRS 30.

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.

Fee income is stated gross and credited to the Income and Expenditure Account over the period in which students are studying. Where the amount 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.

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 customers or the terms of the contract have been satisfied.

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

Brunel University London

Statement of principal accounting policies

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

Agency arrangements

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

Accounting for charitable donations

Unrestricted 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.

Where charitable donations are to be retained for the benefit of the institution 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 institution.
2. Restricted expendable endowments – the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the institution 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.

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. 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.

Freehold land is not depreciated

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

Brunel University London

Statement of principal accounting policies

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 purchase of books is written off in the year of acquisition.

Heritage Assets

Works of art and other valuable artefacts (heritage assets) valued at over £25,000 are capitalised and recognised in the Balance Sheet at the cost or the value of the acquisition, where such a cost is reasonably obtainable. Heritage assets are not depreciated since their long economic life and high residual value mean any depreciation would be immaterial. Individual items are periodically re-valued with any surplus or deficit on revaluation being reported in the Statement of Recognised Gains and Losses.

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 considered to pass the tests set out in paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. Subsidiary companies are liable to corporation tax.

Brunel University London

Statement of principal accounting policies

The University is partially exempt in respect of Value Added Tax, so that it can only recover a minor element of VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

Pension schemes

Retirement benefits for the University's staff are provided by the Universities' Superannuation Scheme (USS), the Teachers' Pension Scheme (TPS) and the London Pensions Fund Authority Pension Fund (LGPS). These are defined benefit schemes, each of which is described further in the Notes to the Accounts. The institution is unable to identify its share of the underlying assets and liabilities of the USS and TPS schemes on a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement Benefits", accounts for these two schemes as if they were defined contribution schemes. As a result the amount charged to the Income and Expenditure Account represents the contributions to the schemes during the year.

LGPS 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.

The assets of the pension schemes are held separately from those of the University. LGPS pension scheme assets are measured using market values. LGPS 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 LGPS pension scheme surplus, to the extent that it is recoverable, or deficit is recognised in full. The movement in the LGPS 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

Year Ended 31 July 2015

	Notes	Year Ended 31 July 2015 £'000	Year Ended 31 July 2014 £'000
Income			
Funding body grants	1	28,647	31,977
Tuition fees and education contracts	2	106,851	98,075
Research grants and contracts	3	21,943	21,566
Other Income	4	42,678	40,288
Endowment and investment income	5	601	513
Total Income		200,720	192,419
Expenditure			
Staff costs	6	106,089	101,702
Other operating expenses	8	72,570	66,976
Depreciation	10	12,811	11,893
Interest payable	7	5,195	5,809
Total Expenditure		196,665	186,380
Surplus after depreciation of tangible fixed assets at valuation and before tax		4,055	6,039
Taxation	9	0	(24)
Surplus before exceptional items		4,055	6,015
Surplus for the year transferred to accumulated income endowment funds		200	301
Surplus for the year within general reserve		4,255	6,316

All items of income and expenditure arise from continuing operations

Statement of Group Historical Cost Surplus

There is no difference between the surplus stated above and the historical cost equivalent

Notes from pages 42 to 57 form part of these Financial Statements.

Statement of Group Total Recognised Gains and Losses
Year Ended 31 July 2015

	Notes	Year Ended 31 July 2015 £'000	Year Ended 31 July 2014 £'000
Surplus on continuing operations after depreciation of fixed assets at valuation, disposal of assets and tax		4,055	6,015
Actuarial (loss)/gain in respect of pension schemes	23	(8,274)	(4,474)
New Endowments	19	293	286
Total recognised (losses)/gains relating to the year		(3,926)	1,827
Total (loss)/gains recognised since last financial statement		(3,926)	1,827
Reconciliation			
Opening reserves and endowments		140,315	138,488
Total recognised (losses)/gains for the year		(3,926)	1,827
		136,389	140,315

Notes from pages 42 to 57 form part of these Financial Statements

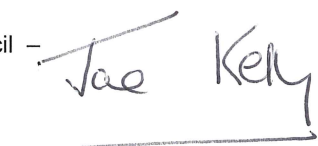
Balance Sheets
As at 31 July 2015

		Group		University	
	Note	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Fixed assets					
Tangible fixed assets	10	285,026	272,076	285,026	272,076
Investments	11	33	33	33	33
		285,059	272,109	285,059	272,109
Endowment assets	12	2,011	1,917	2,011	1,917
Current assets					
Stock		130	129	130	129
Debtors	13	17,872	15,820	17,972	15,744
Investments	14	63,126	71,205	63,126	71,205
Cash at bank and in hand		4,611	7,023	4,355	6,844
		85,739	94,177	85,583	93,922
Creditors					
Amounts falling due within one year	15	(44,925)	(48,910)	(44,819)	(48,763)
Net current assets		40,814	45,267	40,764	45,159
Total assets less current liabilities		327,884	319,293	327,834	319,185
Creditors					
Amounts falling due after more than one year	16	(89,429)	(90,810)	(89,429)	(90,810)
Provisions for liabilities and charges	17	(1,219)	(1,162)	(1,219)	(1,162)
Total net assets excluding pension liabilities		237,236	227,321	237,186	227,213
Net Pension liabilities	23	(51,157)	(42,492)	(51,157)	(42,492)
Total net assets including pension liabilities		186,079	184,829	186,029	184,721
Deferred capital grants	18	49,690	44,514	49,690	44,514
Endowments					
Permanent	19	645	672	645	672
Expendable	19	1,366	1,245	1,366	1,245
		2,011	1,917	2,011	1,917
Reserves					
Income and expenditure account					
Excluding pension liabilities	20	185,535	180,890	185,485	180,782
Pension reserve	20	(51,157)	(42,492)	(51,157)	(42,492)
		134,378	138,398	134,328	138,290
Total funds		186,079	184,829	186,029	184,721

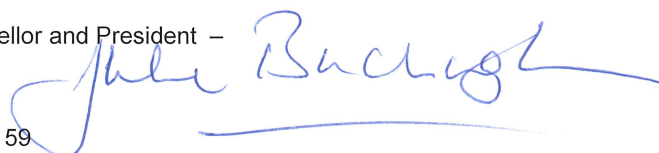
Notes from pages 42 to 57 form part of these Financial Statements

The financial statements on pages 38 to 57 were approved by the Council on 25th November 2015 and signed on its behalf by:

Chair of Council –



Vice Chancellor and President –



Consolidated Cash Flow Statement

Year ended 31 July 2015

	Notes	Year Ended 31 July 2015 £'000	Year Ended 31 July 2014 £'000
Net cash inflow from operating activities	21	12,788	26,681
Returns on investments and servicing of finance			
Income from investments	5	4	4
Other interest received	5	597	509
Interest paid	7	(5,195)	(5,809)
		<u>(4,594)</u>	<u>(5,296)</u>
Taxation Paid		(24)	(62)
Capital expenditure and financial investment			
Payments made to acquire assets	10	(25,860)	(7,203)
Proceeds from the sale of fixed assets		0	0
New endowments received	12	293	286
Endowment funds invested	19	(293)	(286)
Deferred capital grants received	18	<u>8,529</u>	<u>11,260</u>
		<u>(17,331)</u>	<u>4,057</u>
Management of liquid resources	22	8,079	(26,794)
Financing		<u>(1,330)</u>	<u>(1,086)</u>
(Decrease)/Increase in cash		<u><u>(2,412)</u></u>	<u><u>(2,500)</u></u>
Reconciliation of net cash flow to movement in net debt			
(Decrease)/Increase in cash for the period	22	(2,412)	(2,500)
Changes in short term deposits		(8,079)	26,794
Change in net debt less endowment asset		<u>1,424</u>	<u>1,108</u>
		<u>(9,067)</u>	<u>25,402</u>
Net debt at beginning of year		(11,958)	(37,360)
Net debt at end of year		<u><u>(21,025)</u></u>	<u><u>(11,958)</u></u>

Notes from pages 42 to 57 form part of these Financial Statements

Notes to the accounts
Year ended 31 July 2015

	Notes	Year Ended 31 July 2015 £'000	Year Ended 31 July 2014 £'000
1 Funding body grants			
Recurrent grant			
Higher Education Funding Council for England		22,005	27,618
Teaching Agency		0	126
Specific grants		3,659	1,915
Deferred capital grants released in year			
Building	18	1,687	1,680
Equipment	18	1,296	638
		<u>28,647</u>	<u>31,977</u>
2 Tuition fees and education contracts			
Full-time home and EU fees		58,732	51,758
Full-time international students		38,146	35,713
Part-time students		2,128	2,281
NHS education contract		4,699	4,553
Short course fees		2,606	3,285
Other Fees		540	485
		<u>106,851</u>	<u>98,075</u>
3 Research grants and contracts			
Research councils		9,269	7,933
UK Charities		788	710
Industry and commerce		3,568	3,843
Governmental		7,738	8,060
Other sources		580	1,020
		<u>21,943</u>	<u>21,566</u>
4 Other income			
Residences, catering, conferences and retail		34,328	32,274
Other income		8,285	7,949
Released from deferred capital		65	65
		<u>42,678</u>	<u>40,288</u>
5 Endowment and investment income			
Income from permanent endowments		1	1
Income from expendable endowments		3	3
Income from short term investments		597	509
		<u>601</u>	<u>513</u>

Notes to the accounts
Year ended 31 July 2015

	Year Ended 31 July 2015 £'000	Year Ended 31 July 2014 £'000
6 Staff costs		
Salaries	83,962	81,154
Social security costs	7,467	7,163
Contributions to occupational Pension Scheme	13,586	12,367
Other pension liabilities	101	42
Restructuring costs	973	976
	<u>106,089</u>	<u>101,702</u>

Emoluments of the Vice-Chancellor	£'000	£'000
Salary	250	225
Benefits	0	0
Pension contributions	40	36
	<u>290</u>	<u>261</u>

Remuneration of other higher paid staff, excluding employer's pension contribution

	Number	Number
£100,000 to £109,999	8	9
£110,000 to £119,999	8	7
£120,000 to £129,999	3	2
£130,000 to £139,999	0	1
£140,000 to £149,999	2	0
£150,000 to £159,999	1	3
£160,000 to £169,999	2	0
£170,000 to £179,999	0	1
£180,000 to £189,999	2	2
£190,000 to £199,999	1	1
£200,000 to £209,999	0	0
£210,000 to £219,999	1	0
£220,000 to £229,999	1	0

	Number	Number
Average staff numbers by major category		
Academic and hourly Paid lecturers	979	1,007
Academic support	447	441
Technical	79	80
Administration Clerical and miscellaneous	536	537
Administration Craftsmen, Manual and Ancillary	133	133
Student Work Placements	347	294
	<u>2,521</u>	<u>2,492</u>

There was no compensation for loss of office paid to senior post-holders in 2014/15 (2013/14 nil) An estimate of compensation for the loss of office of one senior post-holder has been included in the numbers above, as final settlement terms have yet to be completed.

12 Trustees of the University, none of whom were employed by Brunel University, received an annual payment of £250 each totalling £3,000 to cover their expenses (2013: 14 trustees £3,500).

Notes to the accounts
Year ended 31 July 2015

	Year Ended 31 July 2015 £'000	Year Ended 31 July 2014 £'000
7 Interest and other finance costs		
Loans not wholly repayable within five years	4,338	4,435
Interest on Enhanced Pension Scheme	43	39
Net charge on pension scheme	814	1,335
	5,195	5,809

8 Analysis of total expenditure by activity

	Staff costs £'000	Other operating expenses £'000	Dep'n £'000	Interest Payable £'000	2015 Total £'000	2014 Total £'000
Academic departments	66,180	15,259	1,629	0	83,068	76,659
Academic Services	12,529	6,664	497	0	19,690	18,957
Research grants and contracts	7,055	7,814	366	0	15,235	15,371
Residences, catering, conferences & Science Park	4,775	10,295	3,457	4,338	22,865	21,994
Premises	3,969	19,916	6,199	0	30,084	27,576
Administration	9,052	9,810	613	857	20,332	20,402
Other Services	2,529	2,812	50	0	5,391	5,421
	106,089	72,570	12,811	5,195	196,665	186,380

	Year Ended 31 July 2015 £'000	Year Ended 31 July 2014 £'000
Other operating expenses include:		
External Auditors remuneration in respect of Financial Statement Audit	47	47
External Auditors remuneration in respect of other audit services	6	6
External Auditors remuneration in respect of non-audit services	12	0

Balances stated excluding VAT

9 Taxation

UK corporation tax payable by subsidiary company	0	24
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Notes to the accounts
Year ended 31 July 2015

10 Tangible assets
Group and University

	Freehold Land and Buildings £'000	Assets in Course of Construction £'000	Equipment £'000	Total £'000
Cost or valuation				
At 1 August 2014:				
Cost	339,421	4,779	32,510	376,710
Less: Disposals in year	(534)	0	(729)	(1,263)
Additions at cost	2,678	15,934	7,248	25,860
Transfers between accounts	1,172	(2,827)	1,655	0
At 31 July 2015:				
Cost	342,737	17,886	40,684	401,307
Depreciation				
At 1 August 2014:	84,230	0	20,404	104,634
Charge for the year	8,623	0	4,188	12,811
Eliminated in respect of disposals	(438)	0	(726)	(1,164)
	92,415	0	23,866	116,281
Net book value 31 July 2015	250,322	17,886	16,818	285,026
Net book value 31 July 2014	255,191	4,779	12,106	272,076
Financed by capital grant	28,091	11,243	9,858	49,192
Other	222,231	6,643	6,960	235,834
Net book value 31 July 2015	250,322	17,886	16,818	285,026

On 31 July 2015, freehold land and buildings included £6.6m, (£6.6m, 2013-14) in respect of freehold land which is not depreciated.

In accordance with FRS15, the university retained the book value of land and buildings.

Heritage assets

The University does not possess any heritage assets individually or as components of a set that were either acquired for over £25k or donated with a value at donation provided for over £25k except for a sculpture of Brunel included in the Fixed Assets at £10k. The combined value of heritage assets is considered both insufficiently material and of too uncertain value to warrant overall disclosure of a total balance.

The University's collections including artworks are currently located in the library, The Arts Centre and the archives.

There are works of art located around both the Uxbridge campus and its archives. These are viewable by staff and visitors with access to particular areas. The works of art consist of portraits of principals, assorted paintings, several sculptures and a few Victorian tables and chairs. There was a £564k valuation by Bonhams in 2003 and insignificant movement thereafter.

Notes to the accounts

Year ended 31 July 2015

Summary of Heritage Asset Transactions – none included in Tangible Fixed Assets or Endowments

Year Ended	2015 £'000	2014 £'000	2013 £'000	2012 £'000	2011 £'000
Acquisitions at Cost	3	0	3	8	8
Donations received at valuation	0	0	0	0	0
Disposal Proceeds	0	0	0	0	0

11 Fixed asset investments

	Group		University	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Investment in CVCP Properties plc	33	33	33	33
Investments in associated companies	0	0	0	0
	33	33	33	33

Investments in subsidiary companies

The group accounts incorporate the financial information relating to its subsidiary, in which it holds 100% of the shares, Brunel University Enterprises Ltd. Brunel University Enterprises Ltd is incorporated in England and Wales and pursues activities principally through the commercial exploitation of assets both tangible and intangible held and generated within the University and through management of the Brunel Science Park.

12 Endowment assets

	Group and University	
	2015 £'000	2014 £'000
Balance as at 1 August	1,917	1,932
New endowments invested	293	286
Increase in cash balances held for endowment funds	(199)	(301)
Balances as at 31 July	2,011	1,917
Represented by:		
Cash at bank held for endowment fund	2,011	1,917

13 Debtors

	Group		University	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Amounts falling due within one year:				
Debtors	7,498	7,234	7,408	7,194
Amounts due from subsidiary companies	0	0	190	22
Prepayments and accrued income	10,374	8,528	10,374	8,528
	17,872	15,762	17,972	15,744
Amounts falling due after one year:				
Loans	0	58	0	0
	17,872	15,820	17,972	15,744

Notes to the accounts
Year ended 31 July 2015

14 Investments

	Group and University	
	2015 £'000	2014 £'000
Money market deposits	63,126	71,205
	63,126	71,205

15 Creditors: amounts falling due within one year

	Group		University	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Bank Loans	1,344	1,293	1,344	1,293
Other Loans	37	37	37	37
Trade Creditors	11,917	12,817	11,899	12,765
Taxation and social security	99	210	92	200
Accruals and deferred income	31,528	34,553	31,447	34,468
	44,925	48,910	44,819	48,763

16 Creditors: amounts falling due after more than one year

	Group		University	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Bank Loans	89,206	90,551	89,206	90,551
Other Loans	223	259	223	259
	89,429	90,810	89,429	90,810

Analysis of secured and unsecured loans is as follows:

	Group		University	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
In one year or less	1,381	1,330	1,381	1,330
Between one and two years	1,607	1,530	1,607	1,530
Between two and five years	4,719	4,549	4,719	4,549
After five years	83,103	84,731	83,103	84,731
	90,810	92,140	90,810	92,140

For the three bank loans outstanding totalling £90.6m, the interest rate exposure is managed through an interest rate swap. The funds have been borrowed via Lloyds TSB bank plc and the amounts and rates after applying the swaps of each of the loans are £45.0m at 4.588%, £22.7m at 4.5843% and £22.9m at 4.5823%. All loans are repayable by instalments until December 2040.

Notes to the accounts

Year ended 31 July 2015

17 Provisions for liabilities and charges

Group and University	Enhanced Pension Costs £'000
At 1 August 2014	1,162
Expenditure in year	(87)
Transferred from Income and Expenditure account	<u>144</u>
At 31 July 2015	<u>1,219</u>

From the date of the merger, enhanced pensions have been paid to former employees of the West London Institute of Higher Education.

The assumptions for calculating the Provision for Enhanced Pension Costs under FRS17 are as follows:

	2015	2014
Interest Rate	3.00%	3.71%
Price Inflation	2.89%	2.87%

18 Deferred capital grants

	Funding Councils £'000	Other Grants & benefactions £'000	Total £'000
At 1 August 2014:			
Land and Buildings	27,980	2,310	30,290
Equipment	13,911	313	14,224
	<u>41,891</u>	<u>2,623</u>	<u>44,514</u>
Cash received:			
Land and Buildings	1,250	0	1,250
Equipment	7,020	259	7,279
	<u>8,270</u>	<u>259</u>	<u>8,529</u>
Released to income and expenditure account			
Land and buildings	(1,687)	(65)	(1,752)
Equipment	(1,296)	(305)	(1,601)
	<u>(2,983)</u>	<u>(370)</u>	<u>(3,353)</u>
Total	<u>47,178</u>	<u>2,512</u>	<u>49,690</u>
At 31 July 2015:			
Land and buildings	27,543	2,245	29,788
Equipment	19,635	267	19,902
Total	<u>47,178</u>	<u>2,512</u>	<u>49,690</u>

All deferred capital grants relate to the University

Notes to the accounts
Year ended 31 July 2015

19 Endowments

	Restricted Permanent £'000	Restricted Expendable £'000	2015 Restricted Total £'000	2014 Restricted Total £'000
Balance at 1 August 2014				
Capital	499	1573	2072	1,786
Accumulated income	173	(328)	(155)	146
	672	1245	1917	1,932
New endowments	0	293	293	286
Interest income	1	3	4	4
Expenditure	(28)	(175)	(203)	(305)
At 31 July 2015	645	1,366	2,011	1,917

	Group and University		
	Permanent £'000	Expendable £'000	Total £'000
Scholarship funds	492	470	962
Chairs and lectureships	0	13	13
Prize funds	153	139	292
Other funds	0	744	744
Total	645	1366	2,011

20 Reserves

	Group £'000	University £'000
Balance at 1 August 2014	138,398	138,290
Surplus for the year	4,254	4,312
Actuarial (loss) in respect of pension scheme	(8,274)	(8,274)
Balance at 31 July 2015	134,378	134,328
Balance represented by:		
Income and expenditure reserve	185,535	185,485
Pension reserve	(51,157)	(51,157)
	134,378	134,328

Notes to the accounts
Year ended 31 July 2015

21 Reconciliation of profit before tax to net cash flow

	2015 £'000	2014 £'000
Surplus on continuing operations after depreciation of tangible fixed assets at valuation and before tax	4,055	6,039
Decrease in cash value of endowments	199	301
Taxation I&E	(0)	(24)
Surplus for the year	4,254	6,316
Depreciation	12,811	11,893
Impairments of Investment at Cost	0	34
Taxation I&E	0	24
Deferred capital grants released to income	(3,353)	(2,572)
Interest payable	5,195	5,809
(Increase)/Decrease in stock	(1)	50
Investment Income	(601)	(513)
(Increase)/Decrease in debtors	(2,052)	1,674
(Decrease)/Increase in creditors	(4,012)	2,841
Loss/(Profit) on sale of fixed assets	99	17
Increase/(Decrease) in provisions	57	(6)
FRS 17 Pension costs less contributions payable	391	1,114
	12,788	26,681

22 Analysis of changes in net debt

	At August 2014 £'000	Cash flows £'000	Other changes £'000	At July 2015 £'000
Cash at bank and in hand				
Endowment assets	1,917	94	0	2,011
Other	7,023	(2,412)	0	4,611
	8,940	(2,318)	0	6,622
Short term investments	71,205	(8,079)	0	63,126
Debts due within one year	(1,293)	(51)	0	(1,344)
Debts due after more than one year	(90,810)	1,381	0	(89,429)
	(11,958)	(9,067)	0	(21,025)

23 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 total pension cost for the University and its subsidiaries was:

	2015 £'000	2014 £'000
Contributions to USS	9,494	9,069
Contributions to TPF	261	271
Contributions to LPFA	3,830	3,025
Contributions to other pension schemes	3	2
Provision for ex-WLIHE pension increase	101	42
Total Pension cost (Note 6)	13,687	12,409

The assumptions and other data relevant to the determination of the contribution levels of the schemes are as follows:

Notes to the accounts

Year ended 31 July 2015

	USS 2011	LGPS 2012	TPS 2004
Investment returns per annum	6.1%	5.2%	6.5%
Salary scale increase per annum	4.4%	3.5%	5.0%
Pensions increase per annum	3.4%	1.8%	3.5%
Market value of assets at date of last valuation	£32,433.5 mil	£49.5 mil	£162,650 mil
MFR proportion of members' accrued benefits covered by the actuarial value of the assets	92%	n/a	97%

Universities Superannuation Scheme

Principal accounting policies

The institution participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement benefits", accounts for the scheme as if it were a defined contribution scheme. 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 associated receivable from the scheme in respect of the reimbursement of the company's expenditure is similarly not recognised.

CONTINGENT LIABILITIES AND ASSETS

A contingent liability exists in relation to the pension valuation recovery plan, since the company is an employer of members within the scheme. The contingent liability relates to the amount generated by past service of current members and the associated proportion of the deficit. Given that the scheme is a multi-employer scheme and the company is unable to identify its share of the underlying assets and liabilities, the contingent liability is not recognised as a provision on the balance sheet.

PENSION COSTS

The company participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited. The company is required to contribute a specified percentage of payroll costs to the pension scheme to fund the benefits payable to the company's employees. In 2015, the percentage was 16% (2014: 16%). The company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement benefits", accounts for the scheme as if it were a defined contribution scheme.

The latest available triennial actuarial valuation of the scheme was at 31 March 2011 ("the valuation date"), which was carried out using the projected unit method. The 2014 valuation is not yet finalised and is under consultation in order to agree a recovery plan which will include a reduction in future benefits and an increase in employer contributions. It is expected that employer contributions will increase to 18% from 1 April 2016.

The 2011 valuation was the second valuation for USS under the 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. At the valuation date, the value of the assets of the scheme was £32.4 billion and the value of the scheme's technical provisions was £35.3 billion indicating a shortfall of £2.9 billion. The assets therefore were sufficient to cover 92% of the benefits which had accrued to members after allowing for expected future increases in earnings.

Notes to the accounts

Year ended 31 July 2015

FRS 17 liability numbers have been produced for the using the following assumptions:

	2015	2014
Discount rate	3.3%	4.5%
Pensionable salary growth	3.5% in the first year and 4.0% thereafter	4.4%
Price inflation (CPI)	2.2%	2.6%

The main demographic assumption used relates to the mortality assumptions. Mortality in retirement is assumed to be in line with the Continuous Mortality Investigation's (CMI) S1NA tables as follows:

Male members' mortality S1NA ["light"] YoB tables – No age rating

Female members' mortality S1NA ["light"] YoB tables – rated down 1 year

Use of these mortality tables reasonably reflects the actual USS experience. To allow for further improvements in mortality rates the CMI 2009 projections with a 1.25% pa long term rate were also adopted for the 2014 FRS17 figures, for the March 2015 figures the long term rate has been increased to 1.5% and the CMI 2014 projections adopted, and the tables have been weighted by 98% for males and 99% for females. The current life expectancies on retirement at age 65 are:

	2015	2014
Males currently aged 65 (years)	24.2	23.7
Females currently aged 65 (years)	26.3	25.6
Males currently aged 45 (years)	26.2	25.5
Females currently aged 45 (years)	28.6	27.6

	2015	2014
Existing benefits		
Scheme assets	£49.0bn	£41.6bn
FRS 17 liabilities	£67.6bn	£55.5bn
FRS 17 deficit	£18.6bn	£13.9bn
FRS 17 funding level	72%	75%

At 31 March 2015, the USS had over 147,000 active members.

The total pension cost for the institution was £9,433,011.72 (2013: £ 9,068,745.44). The contribution rate payable by the institution was 16% of pensionable salaries.

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.

Date of most recently published actuarial valuation	31 March 2004
Investment returns per annum	6.5%
Salary scale increases per annum	5.0%
Pension increases per annum	3.5%
Market value of assets at last valuation date	£162,650 million
Proportion of members' accrued benefits covered by the actuarial value of assets	97%
Employers contribution	14.1%

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.

Notes to the accounts

Year ended 31 July 2015

Local Government Pension Scheme - London Pensions Fund Authority (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 March 2014, the employer's contribution rate was 22.6%, this reduced to 17.1% from 01 April 2014, however the University is required to pay an additional cash contribution from April 2014 to March 2015 totalling £1,511,000.00 in respect of past service benefits. The employee's rate from 1 April 2011 is based on a banded earnings schedule. The employer's contributions were £3.81 million and the employees' contributions were £0.87 million.

The following information regarding the LPFA is based upon the full actuarial valuation of the fund as at 31 March 2007, rolled forward to 31 July 2010 by Barnett Waddingham, an independent firm of actuaries. The major assumptions are:

31 July	At 2015	At 2014	At 2013	At 2012	At 2011
Inflation (CPI)	2.5%	2.6%	2.5%	1.8%	2.7%
Inflation (RPI)	3.4%	3.4%	3.3%	2.6%	3.5%
Rate of increase in salaries	4.3%	4.4%	4.2%	3.5%	4.5%
Rate of increase in pensions	2.5%	2.6%	2.5%	1.8%	2.7%
Discount rate	3.7%	4.2%	4.7%	3.9%	5.3%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. They assumed life expectations on retirement at age 65 are:

	Males	Females
Retiring today	21.5	24.9
Retiring in 20 years	23.9	27.2

The following assumptions have been made :

- Members will exchange half of their commutable pension for cash at retirement;
- Members will retire at one retirement age for all tranches of benefit, which will be the pension weighted average tranche retirement age;
- No members will take up the option under the new LGPS to pay 50% of contributions for 50% of benefits.

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

of return	At 31 July 2015		At 31 July 2014	
	Long term rate Value	Fund of return £'000	Long term rate Value	Fund £'000
Equities	6.7%	28,054	6.7%	26,604
LDI/Cashflow Matching	3.4%	9,173	3.4%	3,697
Target Return Portfolio	6.1%	12,326	6.1%	17,316
Infrastructure	6.3%	3,406	6.3%	2,021
Commodities	6.1%	285	6.1%	645
Property	5.6%	1,992	5.6%	1,659
Cash	3.2%	8,189	3.2%	8,382
Total Market Value of assets	5.8%	63,425	5.8%	60,324

Notes to the accounts

Year ended 31 July 2015

The following amounts at 31 July 2015 were measured in accordance with the requirements of FRS 17

At 31 July	2015 £'000	2014 £'000
Estimated asset share	63,425	60,324
Present value of scheme liabilities	(114,582)	(102,816)
Deficit in scheme	<u>(51,157)</u>	<u>(42,492)</u>

Under the transitional arrangements of FRS 17, no provision has been made for the deficit in the scheme. If provision were made, the following entries would be required:

Movement in deficit during the year:

Analysis of amount charged to income and expenditure account

	2015 £'000	2014 £'000
Current service cost (net of employee contributions)	(3,357)	(2,793)
Losses on Curtailments and Settlements	(33)	0
	<u>(3,390)</u>	<u>(2,793)</u>

Analysis of net return on pension scheme

Expected return on pension scheme assets	3,506	3,141
Interest on pension liabilities	(4,320)	(4,476)
Net return	<u>(814)</u>	<u>(1,335)</u>

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

Actual return less expected return on Pension scheme assets	(867)	(2,163)
Experience gains and losses arising on scheme liabilities	14	8,039
Changes in assumptions underlying the present value of the scheme liabilities	(7,421)	(10,350)
Actuarial (loss) recognised in STRGL	(8,274)	(4,474)
Past service cost indexation	0	0
Total Recognised in STRGL	<u>(8,274)</u>	<u>(4,474)</u>

In its June 2010 budget, the government announced that it intended for future increases in public sector pension schemes to be linked to changes in the Consumer Prices Index (CPI) rather than, as previously, the Retail Price Index (RPI). The University has considered the LGPS scheme rules and associated members' literature and has concluded that as a result, a revised actuarial assumption about the level of inflation indexation should be made, with the resulting gain recognised through the Statement of Total Recognised Gains and Losses ('STRGL'). At the date of these financial statements, the Urgent Issues Task Force (UITF) is in the process of consulting widely on the accounting treatment for this change and is expected to issue an Abstract towards the end of 2010. Should the abstract call for a different accounting treatment it may be necessary to reflect any change in the financial statements for the following year.

Notes to the accounts
Year ended 31 July 2015

Movement in deficit in the year	2015 £'000	2014 £'000
Deficit in scheme at the beginning of the year	(42,492)	(36,904)
Movement in year:		
Current service costs	(3,357)	(2,793)
Contributions	3,813	3,013
Contributions in respect of unfunded benefits	0	1
Past service costs	0	0
Other Finance Income	(814)	(1,335)
Settlements and Curtailments	(33)	0
Actuarial loss	(8,274)	(4,474)
Deficit in scheme at the end of the year	(51,157)	(42,492)

Analysis of net return on scheme liabilities

At beginning of the year	102,816	95,257
Service cost	3,357	2,793
Interest cost	4,320	4,476
Actuarial losses/(gains)	7,407	3,135
Losses/gains on curtailments	33	0
Effect of Settlements	0	0
Estimated benefits paid (net of transfers in)	(4,223)	(3,639)
Past service cost	0	0
Contributions by Scheme participants	872	795
Unfunded pension payments	0	(1)
At end of year	114,582	102,816

Analysis of net return on scheme assets

At beginning of the year	60,324	58,353
Expected return on Scheme assets	3,506	3,141
Actuarial Gain (losses)	(867)	(1,339)
Contributions by employer	3,813	3,014
Contributions by Scheme participants	872	795
Estimated benefits paid (net of transfers in and unfunded)	(4,223)	(3,640)
Receipt / (Payment) of bulk transfer value	0	0
At end of year	63,425	60,324

	Year ended 31 July 2015		Year ended 31 July 2014	
	£'000	%	£'000	%
Equities	28,054	44.0	26,604	44.0
LDI/Cashflow Matching	9,173	15.0	3,697	6.0
Target Return Portfolio	12,326	20.0	17,316	29.0
Infrastructure	3,406	5.0	2,021	3.0
Commodities	285	0.0	645	1.0
Property	1,992	3.0	1,659	3.0
Cash	8,189	13.0	8,382	14.0
Total	63,425	100.0	60,324	100.0

Notes to the accounts

Year ended 31 July 2015

History of experience gains and losses Cumulative

	Year ended 31 July 2015	Year ended 31 July 2014	Year ended 31 July 2013	Year ended 31 July 2012	Year ended 31 July 2011
	£'000	£'000	£'000	£'000	£'000
Difference between expected and actual return on assets:	(867)	(2,163)	6,735	(2,488)	(514)
Amount (£'000)	63,425	60,324	58,353	49,542	49,401
Percentage of scheme assets	(1.4%)	(3.6%)	11.5%	(5.0%)	(1.0%)
Experience gains on scheme liabilities	14	7,215	0	(1)	9,931
Amount (£'000)	114,582	102,816	95,257	94,053	81,800
Percentage of the present value of the scheme liabilities	0.0%	7.0%	0.0%	(0.0%)	12.1%
Total amount recognised in statement of recognised gains and losses	(8,274)	(4,474)	8,575	(10,493)	3,335
Present value of liabilities	114,582	102,816	95,257	94,053	81,800
Percentage of the present value of the scheme liabilities	(7.2%)	(4.4 %)	9.0%	(11.2%)	(4.1%)

24 Capital commitments

Provision has not been made for the following capital commitments

	Consolidated and University	
	2015 £'000	2014 £'000
Commitments contracted for at 31 July	8,117	2,470

25 Contingent liabilities

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

26 Related party transactions

Transactions between Brunel University London and its subsidiary undertaking Brunel University Enterprises 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 London 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 2015, the University paid a grant of £1,245,642 to the

Notes to the accounts

Year ended 31 July 2015

Union (2014: £1,149,000), and provided the Union with accommodation on the campus free of rent and most other occupancy costs.

Brunel received £108,497 from St. Georges University of London for project work during the year into advances in diagnostics and communication technologies to reduce the burden of STIS claim. In addition, Brunel began a 3 year research project of £249,847 with Action Medical Research in August 15 to develop and evaluate a resistance training programme for gait. Research projects with NERC produced income of £33,533 in the year, and biotechnology related research £387,239 with BBSRC .

27 Access to hardship funds (HEFCE)

	2015 £'000	2014 £'000
Balance brought forward at 1 August	0	0
Funding Council grants received	8	182
Interest earned	0	0
Disbursed to students	(8)	(168)
Contributions to fund running costs		
Administration staff costs	(0)	(6)
	<u>0</u>	<u>8</u>

28 Teacher training bursaries

	2015 £'000	2014 £'000
Balance brought forward at 1 August	4	43
Teaching Agency grant received	1,173	990
Disbursed to students	(1,062)	(1,029)
Balance due to Teaching Agency	<u>115</u>	<u>4</u>

Funding Council Access grants and bursaries, as detailed in note 27, are available solely for students, the University acts only as a paying agent. The funds and related disbursements are excluded from the income and expenditure account.

29 Financial commitments

At July 2015, the University had annual commitments under non-cancellable operating leases which expire as follows

	Land and Buildings £'000	Equipment £'000	2015 £'000	2014 £'000
Within one year	1,210	40	1,250	1,173
Within two to five years	0	10	10	10
After five years	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>1,210</u>	<u>50</u>	<u>1,260</u>	<u>1,183</u>

Brunel University London
Membership of Council and Trustees during the 2014 – 15 year

	Status of Appointment	Date Appointed in-year	Date resigned in year / Completed Term of Office
Professor J Buckingham	Vice-Chancellor & President		
Professor A George	Deputy Vice-Chancellor		
Professor W Leahy	Deputy Vice-Chancellor	1.08.2014	
Professor G Rodgers	Deputy Vice-Chancellor	1.08.2014	
Mrs J Kelly – Chair	Independent Member		
Mr D Finlayson – Deputy Chair [until 31.01.2015]	Independent Member		31.07.2015
Mr T Belisario	Independent Member		
Ms M Black	Independent Member		
Mrs M Chapman	Independent Member		
Mrs N Cole	Independent Member		
Ms H Ghantiwala	Independent Member	1.08.2014	
Professor K Gregory– Deputy Chair [from 1.02.2015]	Independent Member		
Mr A Little	Independent Member		
Mr P Markwell	Independent Member		
Professor K. Spyer	Independent Member		
Mr P Teague	Independent Member	1.02.2015	
Mr C Thorneycroft-Smith	Independent Member		31.12.2014
Mr G Tomkinson	Independent Member		31.07.2015
Mr R Westhead	Independent Member		31.12.2014
Dr J Bridger	Appointed by Senate		
Professor Z Irani	Appointed by Senate		31.01.2015
Professor W Leahy	Appointed by Senate		31.07.2014
Professor M Lycett	Elected Academic Member		
Professor R Macredie	Elected Academic Member		
Ms L Hunt	Elected Staff Member		
Mr J Park	Elected Staff Member	5.09.2014	
Mr A Milani	Student Member	1.07.2015	
Mr M Zaranyika	Student Member		30.06.2015

Brunel University London
Membership of Council and Trustees during the 2014 – 15 year

Committees served during the year: 2014 - 15

Finance Committee Chairman Ms. M. Black Members Professor J. Buckingham Professor K. Gregory Mrs J. Kelly Professor W. Leahy Mr A Milani Dr J. Robinson Professor G. Rodgers Professor K. Spyer Mr M Zaranyika	Audit Committee Chairman Mrs N. Cole Members Mr T. Belisario Mrs M. Chapman Mr S. Coventry (Co-opted) Ms H. Ghantiwala Mr C. Somani (Co-opted) Mr P. Teague Mr. G. Tomkinson Mr R. Westhead	Nominations & Remuneration Committees Chair Mrs J. Kelly Members Ms. M. Black Professor J. Buckingham Mr D. Finlayson Professor K. Gregory Professor W. Leahy
Equal Opportunities and Human Resources Committee Chairman Professor J. Buckingham Members Mrs N Cole Professor A George Ms H Ghantiwala Professor K Gregory Professor W Leahy Mr A. Little Mr C Thorneycroft-Smith	Special Projects Committee Chairman Mr D. Finlayson/Professor K. Spyer Members Deputy Chair of Council Member of Finance Committee Member of Audit Committee Three members of Council, as appropriate [two being independent members of Council]	Honorary Degrees Committee Chairman Professor J. Buckingham Members Professor A George Professor K Gregory Mrs J. Kelly Professor W Leahy Mr A. Little Professor G. Rodgers Professor K Spyer
<u>Professional Advisers</u>		
Bankers HSBC Bank plc, Uxbridge	Legal advisers Eversheds, London Veale Wasbrough Vizards, Bristol Farrer & Co, London Pinsent Masons, Birmingham	External auditors KPMG LLP, London
Indirect tax advisers Ellis Chapman & Associates, Knutsford, Cheshire	Internal Auditors BDO LLP, London	