

# Financial Statements

2020/21







# Financial Statements for the year ended 31 July 2021

## Contents

Strategic Report 2020/21	5
Statement and Report on the University's Charitable Purpose and Public Benefit Activities	21
Corporate Governance Report	25
Remunerations Committee Report	28
Statement of Primary Responsibilities of the University Council	31
Council's Responsibilities for the Financial Statements	32
Independent Auditor's Report to the Council of Brunel University London	33
Consolidated and University Statement of Comprehensive Income and Expenditure	36
Consolidated and University Statement of Changes in Reserves	37
Consolidated and University Balance Sheet	38
Consolidated Cash Flow Statement	39
Statement of Accounting Policies	40
Statement of Accounting Estimates and Judgements	47
Notes to the Accounts	49
Membership of Council, Committees and Professional advisers	70

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# Strategic Report 2020/21

## Mission and strategic vision

When Brunel was awarded its Royal Charter in 1966 we were given a distinct purpose and an incredible opportunity. The campus was to be the home of technological education, championing innovation and advancement, and giving the UK the knowledge base it needed to compete on the international stage. We conceived a brand of education, and later research, which was overwhelmingly geared towards the needs of industry. Our ambition was to equip students for the world of work and to address society's challenges on a global scale.

The challenges have changed, but our aims are as innovative and ambitious as they always were – to develop research and educational programmes informed by, and tailor-made for, those who benefit; and to give students the academic education and personal skills needed to become a success in the real world.

These aims are articulated in the University's mission:

**'To bring benefit to society through excellence in education, research and knowledge transfer'.**

The University has adopted a Strategic Vision, *Brunel 2030 – A university for a changing world*. The Vision articulates our commitment to bring benefit to society through excellence in education, research and knowledge transfer. It also describes our key goals and values.

*Brunel 2030 – A university for a changing world* positions the University to deliver our strategic vision of:

**'Strengthening our position as a leading multidisciplinary research-intensive technology university delivering economic, social and cultural value and placing excellence, innovation and an entrepreneurial spirit at the heart of everything we do'.**

- True to the words of our Royal Charter, we will continue to lead and innovate with new models of research, education and knowledge transfer, placing the needs of society at the heart of our academic activity.
- We will build on our heritage of working closely with businesses, governments and the not for profit sector to fulfil our mission.
- We will establish strategic partnerships and commercial ventures to strengthen our position and support the University's long-term sustainability.
- We will be at the pinnacle of technology universities in the UK and firmly established in the top tier internationally of this special group of institutions.
- Our success will be a tribute to our students and staff, who will share this vision and work as one to achieve it.

## Strategy

*Brunel 2030 – A university for a changing world* adopts five distinct themes that underpin the vision and recognise the values upon which our success is founded. And, though our role as educators and innovators will change in the coming years, these goals, values and vision will remain at the heart of everything we do and the driving force behind our future achievements.

The Government's election manifesto outlined their commitment to investment in research and development and radical change to post-18 education. The Higher Education Strategy is expected to reaffirm that commitment. We are poised to respond to the Government's Higher Education Strategy and to best position Brunel for success in the coming years.

The University also contributed directly to the national effort to respond to the pandemic. In December 2020, the University's Chancellor Sir Richard Sykes ran an independent review of the UK Government vaccine taskforce's strategy and goals, which led in June 2021 to his being appointed as the taskforce's new chair, leading work to find, procure and deliver vaccines and oversee preparations for vaccine booster programmes.

The Vice-Chancellor in her role as President of Universities UK played a lead role in shaping the sector's response to the pandemic, engaging regularly with Government and other key stakeholders. The success of the College of Health, Medicine and Life Sciences' rapid Intensive Care Unit training for Nightingale Hospital staff resulted in physiotherapy lecturer Dr Eve Corner's MBE for services to health education, awarded in the Queen's New Year's Honours List. More widely, Brunel academics researched and gave expertise on a variety of pandemic-related topics, including developing self-contained, self-cleaning office pods that use ultraviolet light to kill the virus; simulating how to alter hospital layouts to help control the transmission of Covid-19; and studying how the arts can help cities address pandemic challenges.

In addition to the challenges posed by Covid-19, the University continues to respond to and engage with the changing and emerging Government policy, and any regulatory requirements imposed by the Office for Students (OfS), UK Visas and Immigration (UKVI) and other regulatory bodies. Ensuring compliance with the OfS regulatory framework is paramount in all that we do and it is important to keep abreast of guidance and changes announced. On 21 January 2021, the Government published a suite of documents and consultations relating to the post-16 education landscape in England which we actively engaged with and responded to. The publications provide both challenges and opportunities for Brunel as

the nation emerges from the pandemic, and it is important that we focus on developing a strategy that will ensure Brunel is well positioned to have a major impact in a post-Covid-19 era. We await the outcomes of the government's response to the Augur Review as well as the Life Long-Learning proposal as part of the post-16 skills review. The outcomes of the former will feed into the three-year comprehensive spending review (CSR) in the autumn.

With the opportunities provided by the Government's new UK Innovation Strategy: leading the future by creating it (July 2021), the ambitious vision for a more research intensive, innovation-led economy detailed in The R&D Roadmap, (July 2020), the launch of the Advanced Research and Innovation Agency (ARIA) in February 2021 and finally the publication of Global Britain in a Competitive Age: the Integrated Review of Security, Defence, Development and Foreign Policy in March 2021, we will ensure we are responsive and agile and ready to capitalise on any additional funds made available. We will continue to seek out and secure funding to support additional capital investment in our research infrastructure, building on our successful record with the HEFCE/Research England UK Research Partnership Investment Fund (UKRPIF) scheme.

Whilst a time of great uncertainty and challenge, the pandemic has reinforced the agenda for change in the higher education sector, with universities viewed as key players in supporting economic and social recovery post Covid-19 both by delivering the skilled workforce and by carrying out research that will help to drive economic growth and social prosperity. We are proud of the excellent employment outcomes for our students as evidenced in the Graduate Outcomes data by the high numbers of graduates progressing to graduate level roles and/or further study. Indeed, Brunel students are amongst the highest earning graduates, ranking 28th nationally three years after graduation in the Longitudinal Education Outcomes (LEO) tables. The University is committed to working with businesses, the NHS and other parties to ensure our graduates have the broad skills required by employers, to use our expertise in research to drive economic growth and social prosperity and to encourage innovation and entrepreneurship.

## 1. Education and student experience

This year the sector has continued to adapt and evolve its teaching to respond to the ongoing challenge of the Covid-19 pandemic, which is proving to be a significant disruptor to the higher education sector.

Despite the pandemic, and the associated restrictions regarding face-to-face teaching, over the past 12 months we have continued to progress our ambition to introduce more interactive teaching, and to increase the many and varied ways of using technology in teaching and assessment. To support staff to teach differently, we

have an ongoing programme of upgrading existing teaching spaces with new technology. We also continued to implement our plan to expand and diversify our educational portfolio. We launched our first degree apprenticeships in partnership with the Metropolitan Police Service and the NHS, welcoming our first cohort of apprentices in April 2021.

Brunel Online has expanded with four new courses added to our suite of online postgraduate degrees with the introduction of Master of Public Health, MSc Advanced Manufacturing Systems, MSc Public Health and Behavioural Change and MSc Global Public Health and Social Justice. We opened a joint School in Beijing with our partners, the North China University of Technology (NCUT), to deliver programmes in Civil and Mechanical Engineering, and Mathematics for Data Science. Plans for further growth and diversification are progressing well and include extension of our online programme portfolio; expansion of our delivery of transnational education (TNE) with our partners in China and Bahrain; welcoming our first cohort of undergraduates to our School of Nursing in September 2021 and to our Medical School in September 2022.

### Digital learning

The University's priority in response to the pandemic has been to ensure that students can complete or continue their education as planned.

The Covid-19 pandemic created many challenges for us, but also opportunities. How we delivered education in 2020/21 was very different from our approach in the past, and required us to re-think how we could provide learning and teaching in ways that extend beyond campus delivery, embracing the use of technology as the enabler to create flexible learning experiences for all our students. Our commitment to dual delivery throughout 2020/21 provided this flexibility. Dual delivery means providing students, both on and off campus, with a parallel learning experience, whilst also maintaining social distancing on campus. Furthermore, it meant students were able to access their learning online for any periods they were not on campus. For example, enabling students unable to travel to campus in September to join our programmes online, and to integrate seamlessly with on-campus delivery when they arrived. When we entered the second period of lockdown, we were able to suspend on-campus teaching and continue online, allowing students to access learning whatever the circumstances. Practical classes and students undertaking placements were allowed throughout the second lockdown and we took maximum benefit ensuring the best possible experience for our students under the circumstances. Alongside teaching, our Professional Development Centre delivered an expanded programme of activities, providing advice and guidance to current students and recent graduates on placements and careers as they face an unusually challenging job market while also supporting students in developing their 'soft

skills'. Record numbers of students enrolled for our READY programme, in which students work in interdisciplinary groups to address challenges in the developing world. Further new programmes focused on innovation and entrepreneurship also proved popular with the students, for example a programme with Chelsea Football Club.

When permitted, on-campus face-to-face activities were focused on those that added greatest value to the students' learning experience: small group teaching, seminars, tutorials and practical skills sessions, rather than lectures.

The second lockdown prompted by the Covid-19 pandemic saw a continued focus on the delivery of many aspects of teaching and examinations online, including students sitting their examinations remotely and using University supplied equipment where needed. In order to support the estimated five to ten% of students who did not have access to a suitable device that would allow them to engage with online teaching, the extended laptop loan scheme launched in spring 2020 was made available for all UK-based students throughout the 2020/21 academic year. Any students experiencing poor network connections or capability were permitted to come on campus throughout the year to study. The existing highly successful Lecture Capture facility enabled us to move quickly and provide students with what they needed. For many practical-based classes there were no restrictions on delivery throughout the year; with the relaxation of restrictions and the ability for university students to return to campus, provision was put in place to ensure as much learning could be delivered on site and face to face as possible.

Our clear educational goals form the foundation of our new Education and Student Experience Strategy 2021-2030, which was launched in August 2021 prior to the start of the 2021/22 academic year. The strategy has a strong focus on digital and flexible delivery, which has necessarily been influenced by the pandemic; we have significantly accelerated our progress compared with pre-pandemic expectations. Building on our strengths and continued commitment to all our students and their educational experiences, the strategy sets out five commitments that will ensure our students and staff are ready to meet the challenges of a fast-changing and unpredictable world.

### Opportunities for Development

The Academic Professional Development Unit (APDU) replaced the former Brunel Education Excellence Centre (BEEC) in August 2020 and provides a refreshed offering of professional development opportunities for staff and graduate students who support learning and teaching. It has been well received: 32 academic staff new to teaching in Higher Education started the 18-month Academic Professional Programme; 59 doctoral researchers participated in the Higher Education Learning

and Teaching Programme; and 152 Graduate Teaching Assistants and Demonstrators received an introduction to learning and teaching prior to starting their supporting roles. We supported 38 staff in their successful application for professional recognition as Advance HE fellows. We also introduced CPD sessions on a range of topics relating to learning and teaching which are open to the entire university community, and over 300 individuals attended sessions held between November and May. In 2021/22 we are building on the firm foundations established during the first year of operation, and are focusing on expanding our CPD offering.

In order to combat a continuing poor National Student Survey (NSS) performance, an institution-wide taskforce called *Students First* was established in 2019. This initiative continued in 2020/21, albeit with a slight reduction in activity as a consequence of the pandemic, in a drive to improve the student experience year on year. The disappointing NSS return in summer 2021 saw the launch of a working group led by the Vice Chancellor focused directly on driving improvements in teaching, assessment and feedback.

Following the examination period and the further relaxation of Covid-19 restrictions, a three week 'festival' was delivered on campus catering to students' learning, career development and social activities. The event programme was offered to all Brunel students, residential and non-residential students alike, across all study levels, with the aim of engaging students in campus-based learning and social activity. It was a highly successful event and will be developed and delivered again in the coming year. Over 3,000-check ins were recorded across 300 events in the programme.

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## 2. Research

### Responding to the Pandemic

As with other aspects of the University's operations during 2020/21 the Covid-19 pandemic had a significant impact on research activities, with academic project leaders and managers responding with creativity and resilience in challenging circumstances. Brunel saw some great innovation, including, for example, the development of novel Covid-19 tests.

### Research strategy

In 2020/21 we continued to build on the work achieved over the previous year to implement our new Research strategy: establishing a challenge-led approach at University level, and focusing our research activity around five strategic challenge areas aligned with industrial and global challenges.

The changes to the research structures needed to underpin our strategy are now complete and were fully integrated by the end of the 2021 academic year.

A key development has been the establishment of two new Research Institutes. The Institute of Digital Futures launched officially in November 2020, and the Institute of Communities and Society (ICS), which aligns with our *Connected Communities* Strategic Challenge Area, is in its infancy and but already growing from strength to strength. The renamed and repositioned Institute of Health, Medicine and Environments (IHME) now replaces the former Institute of Environment, Health and Societies with a newly appointed Director who took up her post in January 2021. This will ensure that we are well placed to deliver the Brunel 2030 Research Strategy with the appropriate agility to contribute to economic growth and social recovery as we come through the Covid-19 crisis.

The University also implemented plans to establish Research Centres and Research Groups to allow focused growth of research activity around areas of research strength and unique capability, and to facilitate the promotion of our research more clearly to external audiences. An internal call for applications for Research Groups and expressions of interest to form Research Centres resulted in 14 new Research Centres and 15 new Research Groups, which join the nine continuing Research Centres and 53 continuing Research Groups. Performance against targets of the Research Groups, Centres and Institutes will be monitored by annual reports to the Academic Strategy Committee. The University has developed dashboards with research information for each Centre and Group, and the first release includes metrics on outputs, Open Access compliance and research proposals submitted and awarded.

As a research-intensive university, Brunel has a strong commitment to supporting the career development of

all those who contribute to our research endeavour. In 2020/21 we retained our focus on improving the research environment and culture within Departments to develop a plan to meet our commitments relating to the new *Researcher Concordat* launched in autumn 2019. Brunel joined 15 other institutions in agreeing to work collectively with colleagues across the sector to tackle and overcome the challenges faced by researchers in developing their careers, ensuring staff are given the opportunity to develop their talents and realise their potential, creating an active culture of seminars, journal clubs and support for grant writing, as well as mentoring for new academics and Early Career Researchers (ECRs).

Development of the new Action Plan commenced in 2020/21 with the rollout scheduled for Spring 2022 following approval by our Council early in the new year. Work is underway to ensure that researchers and their managers are aware of and that researchers take up the 10 days allocated each year for professional development. In June 2021 the Vice Chancellor took on the role of Researcher Concordat Champion and she will maintain a focus on delivery as well as the responsibility for governance aspects. The Vice Chancellor's membership of the ministerial steering group overseeing the development of the *People and Culture Strategy* strand of the plan for delivery of the Research and Development Roadmap, together with her role as Chair of the Researcher Concordat Strategy Group, will help ensure Brunel maintains a focus on this important aspect of the work as it progresses.

### Research grants and proposals

This report comes at the end of a very challenging year for research funding in the UK. Cuts to government aid funding saw the suspension of the Global Challenges Research Fund (GCRF), the Newton Fund and other funding sources for research related to international development. The UKRI Research Councils also saw their overall 'award rate' by number (ratio of successful/total applications with funding decisions) for 2020-21 (April-March) fall to 21% from 24% in the previous year. Brunel's award rate was 15/66 (23%).

At the same time, there was a hiatus in EU funding calls between the end of the Horizon 2020 programme (2014-20) and the beginning of Horizon Europe (2021-27). The last set of Horizon 2020 calls, under the Green Deal banner, was highly oversubscribed with a success rate by number of 4.6%.

The total value of grants and contracts awarded to the University in 2020/21 was £21,849,083, a 6% reduction versus the value of awards for 2019/20. The value of proposals submitted during the year totalled £96,114,728. The number and value of proposals submitted were 26% and 27% respectively lower than 2019/20.

Over the year we secured four major strategic awards.



1. Prof Zhongyun Fan, Prof Zidong Wang, Prof David Harrison, Dr Fabrizio Ceschin, Prof Brian Cantor, Prof Isaac Chang, Prof Geoff Scamans, Dr Chamini Mendis and Dr Jayesh Patel were awarded £4.4m (with £2.6m to Brunel) by the Engineering and Physical Sciences Research Council (EPSRC) to establish the UKRI Interdisciplinary Centre for Circular Metals. The Centre aims to accelerate the transition from the current largely take-make-waste linear economy to full metal circulation by conducting high quality research and innovation through a systems approach. The ambition is to make the UK the first country to realise full metal circulation (at least for the high-volume metals) by 2050. This will form an integral part of the government's efforts to realise Net Zero by 2050. Working with Warwick University, University College London and over 25 companies and external partners, the Centre will seek to understand metal flow in the global economy and its impact on economy, environment, and society and to develop circular pricing principles, business models, product design principles and practical policies to facilitate the transition to full metal circulation.
2. Prof Susan Jobling, with Dr Eleni Lacovidou, Dr Fabrizio Ceschin, Dr Lesley Henderson, Dr Evina Katsou and Prof Karnik Tarverdi, secured funding of £3.8m (£864k funding to Brunel) from UKRI for a project called PISCES: Plastics in Indonesian Societies: Systems Analytics Approach to Reduce Plastic Pollution. The project will use whole systems analytical approaches to advance understanding of the nature of the interactions underpinning plastic waste leakage into the Indonesian environment and to co-design, trial and test adaptive solutions. Research will concentrate on understanding and reducing the land-based sources of plastic waste leading to an associated reduction in near shore impacts of plastic emanating from urban environments. They will work closely with their project partners, NGOs and local and national governments to provide underpinning evidence to inform and support their intervention programmes on the ground, as well as local and national changes in government policies. This is a high-profile project, led and directed by Brunel with an international team including the University of Plymouth and the University of Leeds, five Indonesian universities, the Indonesian Institute of Science and industry partners SYSTEMIQ.
3. Dr Xinyan Wang was awarded a prestigious Future Leaders Fellowship (FLF) by UKRI for a project entitled Advanced Propulsion and Fuel Technologies for Low-carbon Transport. With funding of £1.1m, the proposed research aims to develop the next-generation fuels and propulsion technologies for low-carbon and zero-carbon transport by collaborating with academic and industrial partners. This is the first FLF award won by the university.
4. Prof Hua Zhao, Prof Diane Mynors and Prof Isaac Chang secured funding of £753k from the Engineering and Physical Sciences Research Council for a project entitled Driving productivity for Sustainable Growth – an industry-focussed engineering doctoral training programme for leaders in sustainable technology. The project is one of four pilots funded by the EPSRC to consider new models of industrial, doctoral-level training and will help to inform developments in future EPSRC doctoral training programmes.

## Research Excellence Framework (“REF”) 2021

The REF2021 return was submitted on 23 March 2021. Application of the Code of Practice (CoP) was monitored throughout the submission process and Equality Impact Assessments were updated and shared to ensure the output selection was a true representation of staff protected characteristics and contractual positions.

Brunel submitted to 16 Units of Assessment in all four panels. 100% of eligible academic staff were submitted, equating to 659 headcount and 638.1 FTE. This resulted in the submission of 1,576 outputs which were all within the required Open Access thresholds and 59 Impact Case Studies, one of which required security clearance.

Comparison of the data submitted to REF2021 compared to the submission for REF2014 demonstrates a 9.6% increase of staff (FTE) submitted, a 5.9% increase in Early Career Researchers, 22% increase in PhD graduation per staff FTE per year and finally an impressive 55% increase in spend per staff FTE per year.

The outputs submitted well represented the diversity of our staff:

- Female staff made up 37% of our submission and contributed 36% of the outputs.
- BAME staff made up 27% of the submission with 26% of the outputs.
- 1% of staff with a declared disability contributed the same percentage of the outputs.
- Of the staff submitted, 22% were aged 30-39, 32% were aged 40-49, 31% were aged 50-59 and 14% were aged 60 or older. The percentage of outputs submitted for each of these age cohorts was within 2% of these values.

## Brunel Public Policy

Following the approval of the creation of Brunel Public Policy (BPP) in February 2020, and the recent appointment of a Director of BPP in 2021, Brunel is now establishing a permanent unit to support our policy-orientated research, providing opportunity through the REF cycle to develop impact. The overarching aim of BPP will be to proactively promote Brunel research in a form that will be useful to policy makers. It will also

assume management of the Open Innovation Team (OIT) partnership, now in its third year.

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### 3. Our University community

The health and wellbeing of our employees and students are of paramount importance to us and a key priority in our three-year rolling plan. The goal is to build on our strengths; we have a nationally recognised Student Support and Welfare service, a strong wellness programme of events and increasingly integrated stress monitoring and management, in line with the Health and Safety Executive (HSE) guidelines and supported through our Human Resources Directorate and our Occupational Health provision.

#### Mental health and wellbeing

Having merged the *Mental Health and Wellbeing Strategy* for Staff with that for Students, ensuring a whole University approach in the first quarter of 2020/21, we embedded the strategy alongside the whole university Equality, Diversity and Inclusion Strategy (approved December 2020) which sets out the priorities for the coming years. The new Equality, Diversity and Inclusion Strategy focuses on integrating healthy practices and behaviours into the normal business of the University, with visible behavioural leadership. This work has been particularly valuable as staff working practices and work commitments have changed in response to the pandemic.

Our Employee Assistance Programme has continued to be an essential resource for staff during these uncertain times, and provides access to immediate and confidential counselling, health and wellbeing advice and critical incident response and stress management programmes. The wellbeing champions, introduced in 2019 in partnership with Able Futures, have provided valued mental health support over the past 12 months. Guidance has been provided to staff and managers through our All Staff Briefings and online portal to support wellbeing and to ensure staff are aware of the services available to them. Over 50 Brunel colleagues and students participated in the BRIT challenge to complete a 2,021-mile team challenge, between May and July, to improve fitness and raise £2,021 to support student mental health charities.

Trades union engagement has remained increasingly important as our community responds to the pandemic and we have continued to work closely with our trade union colleagues to ensure that any return to campus is as safe as possible and that new ways of working, which the current environment necessitates, will not have a detrimental effect on staff. As part of this wider work with the trade unions, weekly meetings have been held (led by the Provost) specifically to focus on the delivery of education alongside bi-weekly health and safety consultation meetings.

Following the approval of the new Human Resources Strategy 2021-2024 in January 2021, work commenced to embed the critical strategic objectives which include, but are not limited to:

- supporting Brunel 2030 by rewarding commitment and contribution that reflects the university's values and strategic goals with fairness and transparency.
- building on our remuneration strategies and mechanisms to reward and incentivize exceptional performance and the behaviours required for the University's success.

Within our organisational structure, equality, diversity and inclusion remain embedded at a number of levels and within all departments and professional directorates. In our last staff engagement survey, equality and diversity were identified as areas of strength in the University. However, we know there is more to do to break down barriers and to promote and ensure equality. Gender Pay Gap and Ethnicity Pay Gap reporting and action planning remain a major focus. The University's 2020 Pay Gap report, published in March 2021, includes information on gender, ethnicity and disability pay gaps. Statutory reporting on ethnicity and disability has not yet come into force. Disability was reported in 2020 for the first time; it was the second year the ethnicity pay gap was published and our fourth year of gender pay gap reporting.

Following publication, work began to implement our action plan to address the gaps. In 2020, Brunel was awarded the Employer's Network for Equality and Inclusion's award for our work on addressing pay gaps. We are members of Stonewall and Working Families, with accreditation by Athena SWAN (University membership renewed in 2017/18 and a Department of Computer Science award in September 2020). We were awarded the HR Excellence in Research Award, which is a marker of the quality of our researcher developer programme as judged by Vitae, and we are Disability Confident Employers, holding a Gold Disability Leader Award. With these levels of accreditation, we will work to promote good practice across the sector as well as continually raise our standards to ensure inclusion for all staff.

Analysis of the outcomes of the Academic Promotions Round for 2020/21 revealed an increase in the number of academic staff promoted compared to the previous year. Although both women's and men's success rate decreased



by 5.8% when compared to 2019/20, women had an overall success rate of 61.2% compared to 58.8% of men. The relative percentage success rates comparing White and Black, Asian and Minority Ethnic employees showed that there was a lower average success rate across all colleges for academics from Black, Asian and Minority Ethnic communities. Our programme for supporting women of the last six to seven years has shown positive results and we now need to replicate this for colleagues from ethnic minorities, in particular Black academics. 2020/2021 saw the introduction of a system for career development/promotion in Professional Services which will continue annually.

In September 2020, the Business, Energy and Industrial Strategy Committee (BEIS) and Department of Education co-authored a policy paper entitled *Reducing bureaucratic burden in research, innovation and higher education*, calling on institutions to reduce unnecessary internal bureaucracy to free up providers to deliver high quality research. In line with this paper, and whilst remaining fully committed to actively and openly supporting and promoting equality, diversity and inclusion (EDI) and pursuing our vision and goals to be a leading multidisciplinary research-intensive technology university delivering economic, social and cultural benefit and supporting our community, we have been working to ensure that we strive to reduce or remove activities that do not demonstrably add value, with activity focused on driving change to overcome the obstacles and challenges identified internally, whilst being cognisant of and thus avoiding unnecessary administrative activity required by the application process for water – or charter marks *per se*.

### Rewarding our community

Reward and recognition are an important element of the University's people strategy and they support and facilitate performance improvement and engagement. The principles of our reward strategy are underpinned by the desire to offer rates of pay that enable the University to attract, engage and retain high performing employees in academic, professional services and support roles with the capabilities, knowledge and experience needed to deliver the 2030 vision, mission and goals.

Following the introduction of new reward policies, work has been undertaken to ensure best practice with job evaluation re-grading, relocation, global mobility and market supplements. Our benefit portal, *Your Rewards* provides savings to employees on a range of products, services and activities and our *Appreciation and Recognition Portal* provides employees with the opportunity to say thank you to a colleague and to nominate them for a £25 voucher. Our holistic Awards for Excellence Scheme that is open to academic, research and professional services staff, recognises outstanding contributions in all areas of University activity. As a thank you to staff for their hard work and commitment throughout the pandemic, staff were awarded additional

holiday days adjacent to the University's Christmas and Easter closure periods.

We continue to enhance our position as an employer of choice for the best people. Our focus on talent acquisition over the past year has been on enhancing our employer brand to attract talented and diverse candidate pools and to deliver an excellent candidate experience at every stage of the recruitment and selection process. Further work is needed in this area and our HR Business Partnering team are working in partnership with leaders to deliver workforce planning so that we recruit the right people, with the right skills to the right roles. Work has recently started on reviewing our onboarding and induction approaches so that new colleagues integrate quickly and effectively.

Longer term financial sustainability requires us to address our structures and processes to identify and resolve the underlying inefficiencies to create the capacity that will allow us to invest in the academic mission and infrastructure. Following approval of the project brief to improve processes and associated systems driving increased efficiency by the Executive in January 2021, the first stage of the Systems Effectiveness Survey ran in May 2021 with the results received in July 2021. The activity collection phase, including a benchmarking exercise, commenced in August 2021 and the results will be available in February 2022. The review and benefit realisation phase will run from March 2022 onwards.

A small project team is overseeing the results and outputs of the Systems Effectiveness Survey, with clear priority of focus in those areas where performance scored badly and was also substantially below the lower quartile performance of other participating Universities. A Programme Board, chaired by the Vice Chancellor, has been established to oversee the results and shape and monitor the resulting projects and actions arising from the Activity Collection data combined with the survey results.

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## 4. Our campus and local community

Brunel's Vision 2030 envisages a University adept at working in partnership, recognised as a civic university and driver of growth, both social and economic, within its

region whilst at the same time having a profound global impact through its research and its teaching.

We are proud of our local community and the value we add and we are well positioned to help support its recovery, whilst also strengthening our position as an anchor institution in the local community. We are hands on in our approach, building our work with local businesses through initiatives like our Co-Innovate programme, Brunel Hive, and our Brunel for Businesses webinar series, the NHS and local schools.

The appointment of a new Leader of the London Borough of Hillingdon in January 2021 has created new opportunities for Brunel to work closely with the Borough. The pandemic also has helped to shine a spotlight on the importance of this work. Prior to Covid-19 the West London economy was the second largest in the UK. The impact of the pandemic has been severe, with a sharp rise in unemployment due to firms failing and a significant increase in deprivation in this socially diverse region. Five of the ten boroughs with the highest levels of furloughed staff are in West London; Hillingdon has been particularly badly hit, largely because of the effects on Heathrow and its supply chains. Brunel is committed to doing its very best to support economic and social recovery in our community and to ensuring we build back better to eliminate social inequality, maximising the opportunities created by the Vice Chancellor and President's membership of the London Recovery Board and the West London Economic Recovery Taskforce as Chair of the West London Vice-Chancellor's Initiative.

### Economic and social recovery in West London

Working in partnership with West London Alliance and West London Business, the West London Vice Chancellors' Initiative brings together the seven universities in West London. This group is committed to working together to address the skills gap and to drive innovation and entrepreneurship to support economic and social recovery from the serious economic effects of Covid-19. We have partnered with the four FE Colleges in West London to identify ways in which we can address the skills gap in the four key areas identified by the London Recovery Group, viz.: Creative Arts and Industries; Digital; Green Economy and Health and Social Care, with several projects underway. Further work is underway to support the construction and aviation industries. A second strand of work is underway on growth and innovation, focused around the potential for an Innovation District and for regenerating the high streets and maximising the opportunities for local procurement.

Alongside this programme, Brunel's apprenticeship strategy aims to support local and national needs and is aligned to skills priorities. The public and health sectors are key development targets for the university. The Advanced Clinical Practice and Nursing Associate apprenticeships have been launched and a Physician

Associate programme is planned for September 2022. As our new Digital apprenticeship portfolio is approved through the Crown Commercial agreement, central government departments and the wider public sector can access the university offering.

Despite the pandemic we continued to explore new ways of encouraging the local community to take advantage of the opportunities available to them through the Public Engagement Programme, Brunel Sports, Brunel Arts and business/conference facilities, including the provision of online classes and information. Our outreach activities are locally focused and target students from underrepresented groups, with particular emphasis on students living in low participation neighbourhoods, students with disabilities and care-leavers, as set out in the Access and Participation section of this report. We will continue to work with schools through our widening access activity, and will work to deliver our commitment to The Social Mobility Pledge.

Brunel has a history of collaboration and partnership with businesses, from local, national and global perspectives and the University signed the Civic Universities Pledge as a mark of our commitment to Hillingdon and our local community. The University has continued to foster links with local businesses, via the Co-Innovate project and the Hive project within the Brunel Business School, and also to act as a focus for innovation and entrepreneurship through the Central Research Laboratory.

The University established the successful Central Research Laboratory in Hayes, the UK's first product-based accelerator for start-ups, in partnership with U + I and this has become a model which is to be rolled out nationwide by our partner. To date, over 100 businesses have been supported, and in 2021 we secured £1.6m from Research England, to work with our partners U+I to launch our new accelerator programme *Making the Future Digital*, extending the support we provide for our graduates to start their own business, whilst also growing the local economy.

The University also actively supports businesses through up-skilling, providing recovery-funding, project based work and undergraduate placements (c1,400 per annum). Our ability to develop partnerships across industry and local and central government is important to the local economy and will be ever more so as the region looks to forge an economic recovery. The University is an active supporter of Chambers of Commerce and local business organisations such as West London Business. The two strategic priorities of our draft External Engagement, Innovation and Entrepreneurship Strategy developed in 2020/21, having a significant understanding of what our customer needs are and taking the time and effort to manage relationships well, will further enable Brunel to work successfully in partnership with business and industry.



As signatories of the Civic Universities Agreement, we will continue to develop the good relations we have with our local community and identify how we can help and address our local community needs and by virtue of our partnerships with businesses, charities, local government and employers, we will support the recently launched UUK campaign, **#GettingResults** which aims to put universities at the heart of the economic and social recovery.

The Metropolitan Police Service (MPS) programme launched in January 2021 means we will be training 25% of all MPS officers over the next five years, a notable contribution to the local community.

We voluntarily engaged in the development year of the Knowledge Exchange Concordat, submitting our action plan in July 2021. The Knowledge Exchange Concordat is an initiative of Universities UK which provides a mechanism by which universities can consider their performance in the wide range of aspects of knowledge exchange and make a commitment to improvement in those areas that are consistent with their priorities and expertise.

The University is committed to working with the NHS and the Local Authority to support improved delivery of health and social care locally and nationally through education, research, innovation and knowledge exchange. Central to this goal was the creation in 2017 of the Brunel Partners Academic Centre for Health Sciences (BPACHS) which aims to support the education of health and social care professionals from entry point throughout their careers to ensure they have the skills to meet the changing needs of the service and to support the delivery and translation of research designed to improve population health and health and social care delivery.

With the appointment of a new Director of BPACHS in summer 2021 work is complete on our revised BPACHS Strategy. Working with our partners (The Hillingdon Hospitals NHS Foundation Trust; Central and North West London NHS Foundation Trust and the Royal Brompton and Harefield NHS Trust) our vision is to help facilitate cost-effective, high-quality care and support the drive towards patient-centred integrated care and safe and effective translation of care into the community. A key component of this vision is expansion of provision in healthcare education (including Physician Associate, Medicine, Nursing, Health Care Management and a range of apprenticeships) and our focus on interprofessional education to facilitate the development of effective team-based care.

We are also exploring a proposal to accommodate a GP practice on campus that would replace our current medical centre and offer services that will no longer be provided by the hospital while also providing a centre for training our medical, nursing, allied health and social work students in community-based practice. Such a centre would also provide a focus for research in improving practice, taking advantage of the university's expertise in

digital technology, design, engineering and management as well as the healthcare sciences. Furthermore, our ongoing education and research work to support the NHS in delivering integrated care and translating care into the community will improve the health and wellbeing of the local population.

## Supporting the Sector

Throughout 2020/21 Brunel has worked hard to support the sector and engage with policy development through among others, Universities UK (UUK), London Higher, National Centre for Universities and Business (NCUB), and local networks. We keep abreast of consultations and calls for evidence, responding whenever appropriate. We continue to strive to increase the number of staff appointed to external (E.g.: AQA) and professional bodies and engage our professional bodies wherever possible in government reports and consultations that may have future impact (both negative and positive).

## Developing our campus

Brunel's campus remains the hub of our university, providing an outstanding environment for staff, students, partners, visitors and the wider community. Maintaining and developing our excellent academic, social, recreational and residential facilities is a central part of our long-term vision.

2020/21 has been an extraordinary and challenging year with many changes introduced at Brunel in a short period of time to maintain a safe and operational campus in the face of social distancing restrictions, lockdowns and tiers, each of which imposed differing restrictions on campus activity and the modes of delivery of teaching and research. We have learned a lot and many of the enforced changes have had beneficial effects which we will continue to embrace and evolve, but as the successful vaccination programme progresses at pace and with all UK students offered their first vaccination by the end of July 2021 and all international students registered with a GP to be offered a vaccination, we were able to achieve a return to campus life for the start of the 2021/2022 academic year.

Operating under the social distancing measures and restrictions imposed by Covid-19 presented additional challenges for generating commercial income. As well as the impacts of lower occupancy in our halls of residence, we rightly supported our students by giving rent refunds for periods of non-occupancy in terms one to three. Inevitably, this had a significant impact on our commercial income in the 2020/21 academic year and our ability to upgrade facilities which will be felt for several years.

The plan to start the delivery of the £50m Learning and Teaching Centre (LTC), a substantial new build designed to enable us to modernise our teaching and ensure that the campus is a destination of choice for talented students and staff from the UK and overseas, is currently

on hold. The LTC will be at the heart of modern, innovative teaching and learning opportunities for students at Brunel although completion, originally scheduled for late 2021 has been deferred as part of the University's initiatives to conserve cash resources during the pandemic. Work on the estate strategy and new ways of teaching that will be undertaken over the coming months will be conducted with consideration to the flexible teaching space planned for in the LTC design, with a revised proposal to be presented as part of the emerging estate strategy.

The refurbishment of Quad North commenced in 2020 and is due for completion in May 2022 – this development will be home to the Brunel Medical School (BMS), Chemical Engineering and Psychology. As mentioned above, preliminary discussions are underway for an Integrated Health Hub on site four which would replace and significantly enhance the existing medical centre provision to our students.

In order to facilitate our programme with the Metropolitan Police, we have developed two specialist “crime scene” teaching spaces and a variety of dedicated offices and classrooms. These will be expanded in the coming years as the programme grows.

We have also completed the first stage of works as part of the partnership with the Ealing Trailfinders rugby club, with the opening of a new state of the art 4G pitch. The second stage training facility is due to complete in December 2021.

While the extensive work we have done on cyber security over the past four years was recognised by the award of Cyber Essentials Plus we cannot be complacent, and the continued upgrading of systems to protect staff, students and the institution from the growing threats from cyber criminals both within the UK and internationally, will continue to be a high priority.

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**“We have learned a lot and many of the enforced changes have had beneficial effects which we will continue to embrace and evolve, but as the successful vaccination programme progresses at pace and with all UK students offered their first vaccination by the end of July 2021 and all international students registered with a GP to be offered a vaccination, we were able to achieve a return to campus life for the start of the 2021/2022 academic year.”**

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## 5. Global impact

With the approval of a revised International Strategy by Executive Board in June 2021, work commenced to operationalise the strategy and communicate to the wider university community. Specifically, we will continue to

work with agents and our affiliate college, Brunel Pathway College (BPC, formerly LBIC) to attract students from across the Globe to all Departments of the University, capitalising on the changes to the Post study work visas and the Global Talent Scheme. We will continue to improve on our marketing, agent support and customer service and focus it where it will be most effective.

The Strategy seeks to build on Brunel's strong international ethos and standing, and has four main themes;

- i. internationalisation of teaching, learning and student experience;
- ii. high quality and sustainable international student recruitment;
- iii. enhancing the international recognition of our excellence in research; and
- iv. developing and maintaining international education, research and business partnerships.

Brexit continues to be a major challenge to several aspects of this strategy, including the ability to attract and retain staff and students from the EU and to access EU research funding and networks. 2020/21 has been a fallow 18 months for student exchange, study abroad and summer schools due to Covid-19. We have taken advantage of this hiatus to re-set our ambitions for these forms of mobility, to provide new opportunities for our students and to grow our income from incoming short-term students.

With the onset of the pandemic in March 2020, the College of Business, Arts and Social Sciences (CBASS) began working with the Universidad del Rosario to develop virtual mobilities that would provide students with the opportunity to develop cross-cultural competencies even in the face of ongoing restrictions on international travel. Virtual mobilities are more accessible to students, including those with caring responsibilities who are unable to commit to spending even a short period of time overseas, and the CBASS expects to make them a permanent feature of its portfolio moving forwards to help deliver its commitment to increasing rates of social mobility amongst its students.

Outbound student mobility has also been historically low at Brunel, however the replacement of Erasmus+ by the UK Turing scheme provides some new opportunities, and we will take advantage of the Turing scheme emphasising opportunities for under-represented student groups, and also seeking more short-term mobility options. We were successful in an ambitious bid to this fund with stretching targets to grow the range and scale of international experiences for our students.

Brunel remains committed to Universities UK's *Go International – Stand Out* campaign, and has made a commitment on the part of the University to boost the number of students who work, study or volunteer abroad – and to broaden access to those opportunities. It is



important to highlight that there are opportunities as well as risks, in particular on the international side capitalising on the changes to the Post study work visas and the Global Talent Scheme, as well as research opportunities resulting from ARIA and Global Britain in a competitive age.

### Key international collaborators

We continue to build partnerships with universities, research institutes and businesses across the world. We continue to implement our International Partnerships Strategy, which provides a framework for the collaborative development of partnerships in line with the University's vision and strategic objectives. This strategy helps to ensure a coherent and efficient approach to identifying, developing and sustaining international partnerships that enhance the University's reputation, while establishing new routes to student recruitment, research collaboration and revenue generation.

We are also working to increase the number of students coming from partners and expand our partnerships in strategic regional hubs. Our first substantial undergraduate TNE programme commenced in Chongqing, China in September 2018. In April 2020 we announced a partnership with the North China University of Technology (NCUT) to establish a joint college which will see 300 Beijing-based undergraduate students starting each year, to work towards degrees awarded by both universities.

Our other TNE activity is in Bahrain, where we offer PhD programmes at Ahlia University, at which we have approved a new Masters programme (Wireless Communication) with a second (Executive MBA) being finalised for a 2022 start. We continue to explore new TNE opportunities. The impact of this work will be to increase the number of overseas students studying for a Brunel degree, either as a partnership or in a TNE programme. We expect that in future a substantial proportion of the growth in our international students will be from partner organisations.

We will continue to develop collaborative research funding with partners (industry and universities), seeking to develop links that will enable us to take advantage of continuing and new funding streams. This will enable us to maintain the high level of international collaborative research, boosting the impact of the research as well as raising our reputation. Our international outlook score with Times Higher Education (THE) is 29th Globally, fifth in the UK, which will be very difficult to improve. We will continue to focus on improving our reputation and recognition.

### Study Abroad Strategy

We are also seeking to internationalise the experiences of home students studying on the Brunel campus. Our Study Abroad Strategy (2020) aims to grow and

develop Brunel's Study Abroad and Student Exchange programmes to provide unique global mobility options for students, and also to generate new revenue streams. We are expanding the opportunities for students to undertake voluntary activities, work placements, summer schools and academic exchanges as part of their (co)-curriculum. In recent years we have developed opportunities in China, Colombia, South East Asia, India and the USA. The impact of this will be to give our students opportunities to have life-changing experiences that help them develop as global citizens – preparing them to work in an international environment.

The recruitment of international students is critical, and we will continue to work with agents and our affiliate college to attract a wide range of students across the University. We will improve on our marketing, agent support and customer service and focus it where it will be most effective and will maintain our high level of UKVI compliance to mitigate the risk of losing our trusted sponsor status.

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**“In April 2020 we announced a partnership with the North China University of Technology (NCUT) to establish a joint college which will see 300 Beijing-based undergraduate students starting each year, to work towards degrees awarded by both universities.”**

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## Financial Review

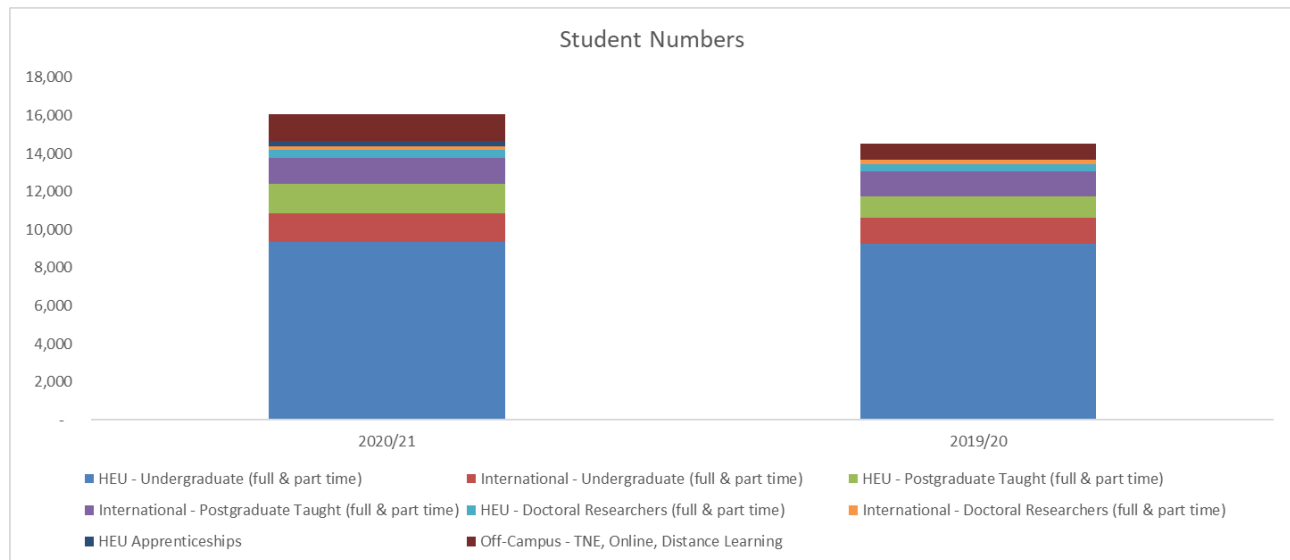
The presentation of the financial results has been adjusted in the table below to separate out the impact of the recognition of the latest Universities Superannuation Scheme (USS) pension revaluation and the impairment of fixed assets; to show the underlying operational performance.

In common with other institutions in the USS, the scheme deficit has been a feature of the University's financial statements since the adoption of FRS102 for 2015/16 reporting. The income and expenditure impact of the deficit provision revaluation (which does not impact the University's cashflow) is significant and an adjusted presentation is shown below to enable the comparison before and after its impact to be made. The impairment adjustment to assets, also a non-cash item, reflects the write down of investments in projects which have been put on hold due to the pandemic as the institution continued to focus on cash preservation.

The University generated a deficit before non-recurring items of £(10.0)m against a surplus of £1.4m in 2019/20. This is reflective of the ongoing impact of the Covid-19 pandemic which has impacted student numbers and therefore revenue; coupled with inflationary cost increases. The net cash flow from operating activities was £28.0m (12% of income). This is higher than 2019/20 by £16.1m, and is due to the continued focus on cash preservation where capital spend has been targeted to essential programmes. The level of cash (cash and short-term investments) at the end of July 2021 was £78.7m, £21.2m higher than the £57.5m held at the end of July 2020.

<b>Operating results</b>	<b>2020/21 £'m</b>	<b>2019/20 £'m</b>	<b>2018/19 £'m</b>	<b>2017/18 £'m</b>	<b>2016/17 £'m</b>
Income	<b>234.0</b>	237.1	229.8	220.7	200.6
Expenditure – Before Non-recurring Items	<b>(244.0)</b>	(235.7)	(224.7)	(215.3)	(200.0)
Surplus /(deficit) - Before Non-recurring items	<b>(10.0)</b>	1.4	5.1	5.4	0.6
USS Deficit Revaluation (see note 19)	<b>(4.1)</b>	20.3	(35.0)	-	-
LPFA Age Discrimination Provision (see note 30)	-	-	(1.0)	-	-
Impairment Adjustments	<b>(8.7)</b>	(0.3)	(1.5)	(0.6)	-
Surplus / (Deficit) After Non-recurring Items	<b>(22.8)</b>	21.4	(32.4)	4.8	0.6
Net Operating Cashflow	<b>28.0</b>	<b>11.9</b>	23.6	23.1	13.5
Cash and Short-Term Investments	<b>78.7</b>	<b>57.5</b>	55.8	52.8	56.0

## Student numbers

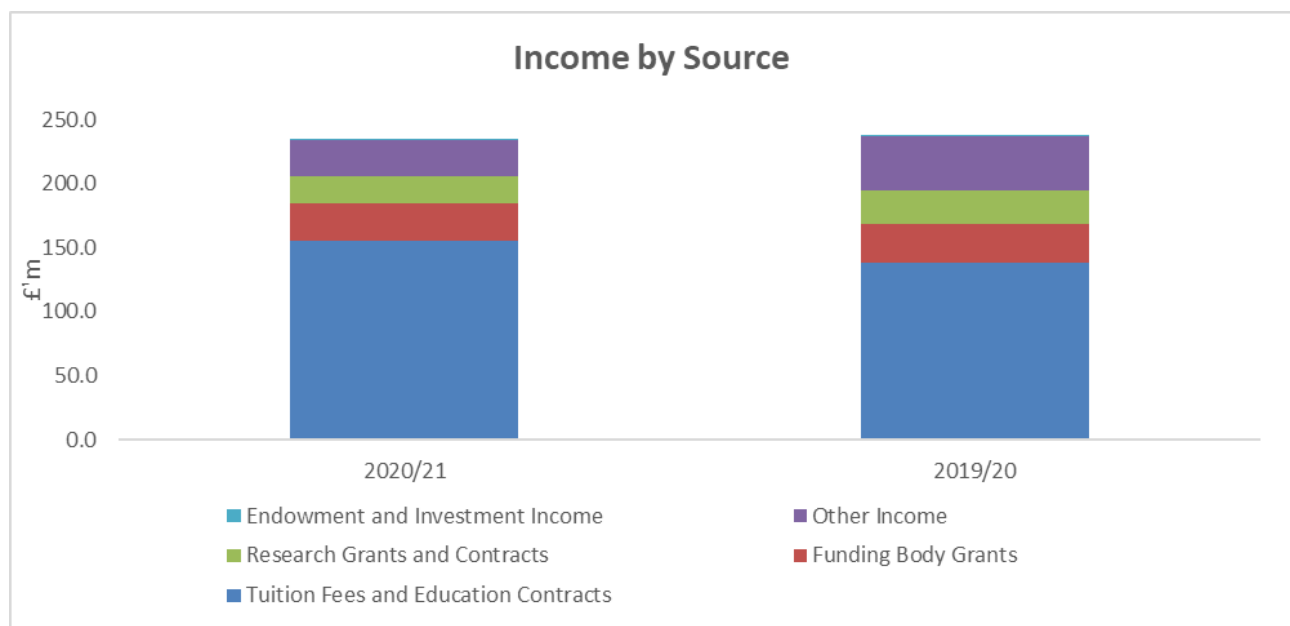


To better reflect the University strategy the above summary includes all students – full and part time students as well as on and off campus students.

Overall student numbers were 16,063 representing an improvement on the prior year of 11%.

International undergraduate numbers were up 181 versus 2019/20, and international postgraduate taught numbers were broadly flat. We continue to promote targeted recruitment action in Europe, North America, China and India. This ensures a secure flow of students via programmes in which students spend one or more years of their degree programme at Brunel. Home and European Union (“HEU”) undergraduates increased by 67, with an increase of 372 within HEU PGT. The introduction in 2020/21 of degree apprenticeships in partnerships with the Metropolitan Police Service and the NHS has grown student numbers by 255 students. The continued development of our strategic educational partnerships with target universities and the expansion of our delivery of TNE has resulted in an additional 198 students against 2019/20.

## Income



Total income for 2020/21 was £234.0m, £3.1m (1.3%) lower than in 2019/20.



This decrease was driven principally by the reduction in other income as a result of lower residency income (down £13.3m from 2019/20). Other income consists of student residences income, conference, hotel, retail and also income from summer school activity for foreign language students on the campus. All categories were significantly impacted by the pandemic, including the decision by the University not to charge rent for accommodation during the period when government guidance did not permit students to return to university after the Christmas break and allowing students to be released from their accommodation agreements for the final term of the year.

Tuition fee income increased by £17.0m to £155.1m reflecting the increase in student numbers.

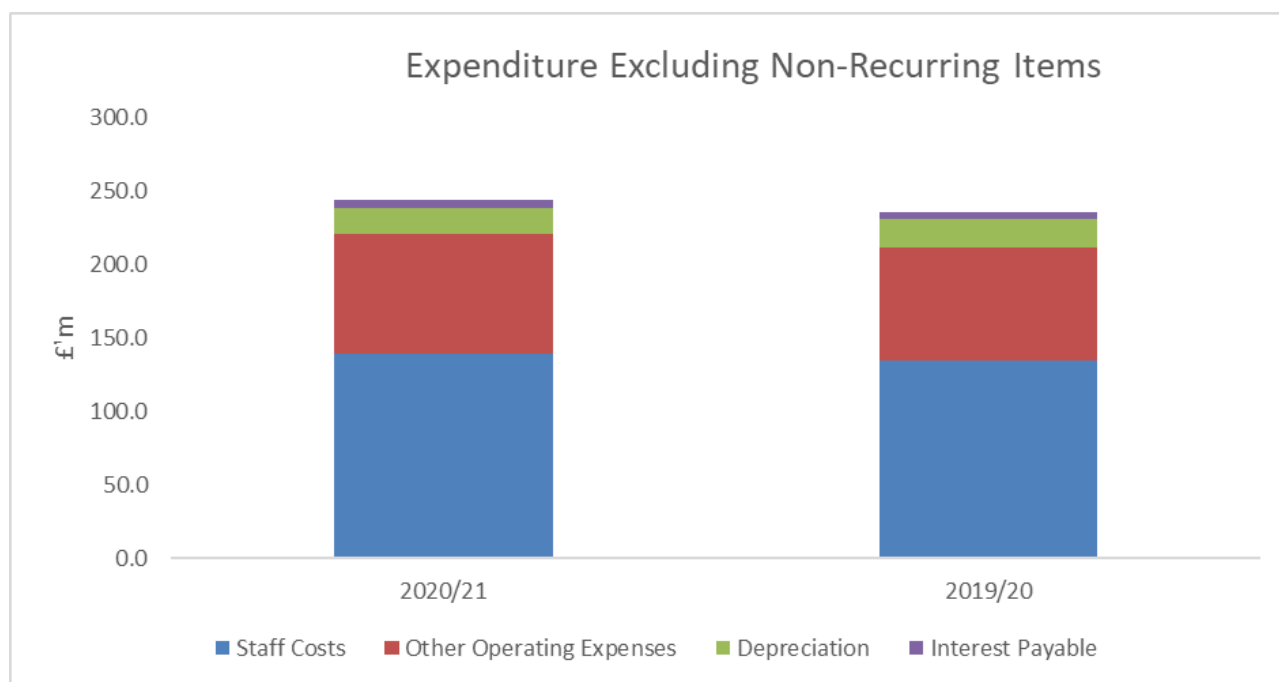
Research grant income for 2020/21 was £5.2m lower than in 2019/20 on a recognised income basis. Research income reflects the timing of work undertaken on research grants, as income is recognised in the financial statements over a period typically averaging three years. The decline reflects reduced research activity in the year due to the restrictions imposed by the pandemic.

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### **Tuition fee income increased by £17.0m to £155.1m reflecting the increase in student numbers.**

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## **Expenditure**



Excluding the non-recurring items detailed in the Operating Results paragraphs above, expenditure was £8.3m (3.5%) higher than in 2019/20. Expenditure before non-recurring items included £1.4m of Covid-related costs (£0.2m in 2019/20).

As in previous years, the majority of expenditure (54.9%) related to staff costs. Staff costs are impacted by the movement in the pension provisions. Excluding pension adjustments, staff costs of £140.9m were £5.0m (4.0%) higher than in 2019/20 as a result of general staff inflation and the continued investment in academic provision in areas which have seen increased tuition fee income and student numbers.

Other operating expenditure of £81.2m (excluding impairment adjustments) has increased by £4.3m (5.5%) reflecting inflationary cost increases. Depreciation costs are marginally lower than 2019/20, offsetting the increased costs described above.

## Cash and debt

The University generated £28.0m in cash from operating activities and ended the year with £78.7m in cash and short-term investments.

Under the University's Treasury Management policy, cash is deposited with financial institutions that have minimum Fitch ratings no lower than A – for long term investment (greater than 365 days), and F1 for short term investments for UK and European banks. Building societies must have a minimum rating of A-, F1 or total assets in excess of £1 billion. Under the policy, the University can also invest with AAA rated Money Market Funds.

The University has borrowings of £81.4m (of which £1.8m is due within one year) which are repayable over 20 years with a final payment of £27.2m due in 2040. Borrowings have reduced by £1.7m since July 2020. To mitigate interest rate fluctuations over that period, the University has a series of interest rate swap agreements, which result in a net interest rate on the long-term loans of 4.8% throughout their term. The debt is secured against part of the University's property portfolio.

## Endowment assets

The University endowment reserves total £1.7m. All funds are held in cash and in line with the Treasury Policy, funds are invested with financial institutions with ratings as described above.

## Capital expenditure

Capital expenditure totalled £16.7m in 2020/21 (2019/20: £7.9m), as we continue our planned programme of capital investment to address our strategic priorities. Expenditure in 2020/21 included continued work on the facilities for the Medical School and the Chemical Engineering programme. Essential student residence refurbishment work and capital expenditure relating to cyber security information technology projects was also undertaken.

## Principal risks and uncertainties

The University proactively manages the risks and opportunities it faces through its Executive Board, Audit Committee and Council. The University maintains a Strategic Risk Register which is reviewed every six months and a number of risks are identified as priorities. Each item on the risk register is assigned to a risk owner and an assessment is made of its likelihood and impact and mitigating actions. The risks are grouped into a number of categories: Academic Quality, Compliance and Legal, Reputation, Financial Sustainability, Infrastructure, Leadership Governance and Management, and Other.

The principal risks faced by the University are currently considered to be:

- the ongoing impact of Covid-19, with its operational impact, changes to the HE environment and the financial challenges it has presented and continues to present into the 2021/22 academic year.
- the ongoing changing external funding environment – in particular the impact of government policy, the financial impact of an adverse Research Excellence Framework ('REF') outcome, legislative changes and compliance requirements, the outlook for our pension schemes and changes to national insurance contributions.
- failure to maintain or enhance teaching and learning quality and student satisfaction.
- the current heightened cyber security and risks to data security that have seen the higher education sector targeted.
- generating sufficient cash to support the University's strategic goals.

Staff costs are the largest individual component of the University's expenditure. A challenge facing the University, along with many others, is the long-term position of the main UK university sector pension scheme, the Universities Superannuation Scheme (USS). The University has adopted the 2018 valuation of the USS scheme in these financial statements. The USS scheme is now working to conclude its latest valuation, as at March 2020. The University participates in all consultations about changes to the scheme as members seek to find an acceptable and sustainable long-term level of support for the scheme and finalise the 2020 valuation, which is expected to conclude during the 2021/22 academic year.

## Financial sustainability

The University's financial strategy is designed to enable the University to fulfil its mission and to meet its strategic and operational objectives in a sustainable way. The University continues to plan for growth whilst managing the associated risks. The University undertakes regular financial planning reviews and scenario planning, including the likely impact of the developing sectoral changes, the ongoing impact of Covid-19 and possible changes to government funding.

The University took a number of immediate actions in the early stages of the pandemic in the spring of 2020. These included enabling teaching and examinations to be delivered online, putting in place the services required to support our students online and additional services for those living in our accommodation, enabling staff to work from home and setting up the required protocols and processes to allow critical activities such as laboratory-based research to continue.

At all times the University response has been guided by Government advice and policy and public health guidelines as well as other requirements from Government Departments and the relevant public health bodies across both London and the London Borough of Hillingdon and other bodies such as the Office for Students. We continue to work closely with these groups and the other local bodies in our response.

From a financial perspective this included entering a cash preservation mode, with actions that included stopping

uncommitted capital expenditure, curtailing non-essential expenditure, only allowing critical staff recruitment, and using applicable government support mechanisms. The University undertook a number of financial planning scenarios with different assumptions for student recruitment. Alongside these it set up several actions that could be taken in each scenario to enable it to maintain sufficient cash liquidity and continue as a going concern. The appropriate actions were enacted as required.

These actions have continued during the 2020/21 year as the University has worked through the subsequent lockdowns and restrictions imposed through the winter and spring. The University has offered a dual delivery of learning, offering a parallel experience for students on-campus and online, giving staff flexibility to deliver teaching and students flexibility in how they access their learning. The University made many changes to allow the campus to operate in a Covid-19 secure manner and allow on-campus activities to continue in the 2020/21 academic year within the different sets of restrictions that were applicable at different times through the year.

These have enabled the University to navigate through the pandemic, ensure long term sustainability, protect the health and well-being of staff and students, ensure the operation of the University and position Brunel for success in a new environment.

In addition to Covid-19 other long-term financial challenges remain. Many of these have been highlighted in prior years. The University will review emerging developments in Government Strategy as it impacts higher education and will look to deliver the opportunities they present.

The impact of a number of years of ongoing flat UK undergraduate tuition fee levels per student has had a slowly increasing compound pressure on finances, particularly whilst costs continue to rise faster than inflation. For example, in line with the sector, there are significant pressures on staff costs, with increased pension costs particularly for the USS and the increases to the national sector pay scales.

Although the University recorded a deficit for the year (£22.8m), the financial performance has been impacted by the unusual circumstances driven by the global pandemic. This has led to non-recurring expenditure items being recorded in the year, including impairments of £8.7m (noted on page 16) and Covid-related costs of £1.4m (noted on page 18). Excluding these additional costs the University's deficit for 2020/21 was £8.6m, driven primarily by the reduction in commercial income as a result of reduced student presence and activity on campus due to the government restrictions during the year. Once these items are considered the underlying financial performance of the University would be a surplus position, demonstrating the financial stability of the institution.

The University is committed to maintaining its long-term financial sustainability and will take the required

actions, which include growing income across a number of areas, looking to use its assets more effectively, particularly unused or underutilised assets, and targeting its expenditure more efficiently. The University has also set a minimum cash holding level to ensure that it maintains a sufficient cash liquidity buffer. The University considers that it is able to continue to operate as a going concern and that it is appropriate to prepare the financial statements on a going concern basis.

## Future outlook

Whilst the challenges facing the University and the wider UK higher education sector cannot be underestimated, particularly with the implications of the Covid-19 pandemic, Brunel is in a sound financial position. The University has a major role in delivering economic and social recovery through the delivery of appropriately skilled individual and research which brings direct benefit to the communities we serve. We are seeking to grow our education exports by increasing the number of overseas students we recruit and expanding transnational education, in line with the Government's International Education Strategy.

The University continues to build upon the work undertaken in recent years, and is positioned well to address the changing political, social, economic and legislative environment that it faces. The University has the financial resources and flexibility to work through the impact of Covid-19 and can adapt to the changing national and global environments in order to achieve its key strategic goals, and deliver its mission to bring benefit to society through excellence in education, research and knowledge transfer.

I will be stepping down from the role of Vice Chancellor and President of the University at the end of December 2021 after nearly 10 years in the role. Our new Vice Chancellor is Professor Andrew Jones, who joins from City University London where he is currently the Deputy President.

Professor Julia Buckingham CBE  
Vice Chancellor and President

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**The University made many changes to allow the campus to operate in a Covid-19 secure manner and allow on-campus activities to continue in the 2020/21 academic year within the different sets of restrictions that were applicable at different times through the year.**

**These have enabled the University to navigate through the pandemic, ensure long term sustainability, protect the health and well-being of staff and students, ensure the operation of the University and position Brunel for success in a new environment.**

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# Statement and Report on the University's Charitable Purpose and Public Benefit Activities

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). The Office for Students 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, particularly in exercising the trustees' powers or duties, 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 bring benefit to society through excellence in education, research and knowledge transfer*

And our values:

*We work to high ethical standards, and are transparent in our dealings and decisions*

*We treat everyone with dignity and respect; we all have the same opportunity to succeed*

*We are purposeful and agile in a changing world and work in innovative ways to achieve our goals*

*We always aim to achieve the best and we value and reward excellence*

## Access and participation

Brunel has an enviable reputation for both encouraging aspiration and providing high quality, research-led teaching to a very diverse student population. Enabling all students to realise their potential, irrespective of their social or cultural backgrounds, is important to us, and we aspire to be recognised across the world as an engine of social mobility.

Brunel's Access and Participation Plan 2020/21-2024/25, approved by the Office for Students, sets out how the University will improve opportunities for students from underrepresented groups to access, succeed at, and progress from higher education. Our Access and

Participation Plan is written in partnership with the Union of Brunel Students and outlines our ambition for change, targets, and our plan and investment strategy for delivering these objectives. The University's Access and Participation Plan and Impact Report are available [here](#).

We are committed to robustly evaluating our activities to ensure that we are delivering meaningful and measurable impacts for our students and other stakeholders.

In 2020/21 we completed the fourth year of our comprehensive monitoring and evaluation process, which includes mid-year and end of year reviews, and we are beginning to see tangible outcomes. All projects have a clear theory of change supported by academic evidence, and have a structured evaluation plan, increasing our ability to deliver and share demonstrable results. We are actively engaged in improving the sector's practice and evidence base, with projects sharing their work across a variety of networks and conferences. A particular highlight this year was the Urban Scholars programme, winning the NEON Widening Access Partnership award 2021.

Examples of activities and projects aimed at achieving success for all include:

## Access to HE

### Aim: To increase the entry rates of students from underrepresented groups to higher education.

Brunel attracts a diverse student body, with 83% of the Home/EU population falling into one of more of the following categories: low household income; POLAR quintile 1; Black, Asian, Minority Ethnic; mature; disabled; and care leavers. The proportion of mature entrants (13%) and students from lowest-participation neighbourhoods (3.5% from POLAR quintiles 1 and 2) are relatively low, and we are actively working to increase our engagement with these groups.

Brunel's outreach activities in 2020/21 targeted students from underrepresented groups with particular emphasis on students living in low participation neighbourhoods, mature students and care-leavers. In 2020/21, the Widening Access team engaged with 9,042 students. Of these, 449 were through events on campus, 7,861 through virtual events, and 732 through off campus events. Activities on campus included:

- Higher Education awareness visits (Year 6 – Year 13)
- Master classes (Year 11 – Year 13)
- Subject taster days (Year 6 – Year 13)
- Summer schools (Year 8 – Year 13)
- Careers fairs (Year 10)

Activities provided in schools, colleges and community organisations included:

- Talks for students, parents and community groups around different aspects of higher education, including applying to university, student finance and personal statements
- Attendance at parents and options evenings
- Attendance at careers events and HE awareness events, including running workshops
- Support for regional initiatives
- Collaborative events

Brunel is recognised for its efforts to encourage the entry of care leavers into the University and its efforts to provide specialist support for this group. A dedicated Widening Access Officer works collaboratively with the London Borough of Hillingdon Looked After Children (LAC) and Leaving Care Service. We work in partnership to listen to care leavers and develop programmes that work for young people. As part of this we deliver a number of annual events, including a LAC residential on campus, and support events such as Hillingdon's Stepping Out programme where our care leaver Student Ambassadors attend to discuss key challenges and improvements. Our work with virtual schools, including Redbridge, Bucks, Ealing and Croydon, continues to take place with a steady increase of interest from other virtual schools. We are members of the National Network for the Education of Care Leavers (NNECL), and in 2021/22 the University will submit its expression of interest to participate in the Quality Mark to highlight our intention to further enhance the support we provide for this vulnerable student population.

The University also works to raise attainment in schools. The Urban Scholars programme is focussed specifically on providing enriched learning experiences for gifted and talented students aged 12 – 18 years, from the Greater London area. The students, from socially deprived areas and in receipt of free school meals, are selected on the basis of their academic talent or the potential to achieve highly, which is nurtured at monthly Saturday sessions. These would normally be held at Brunel but were mostly delivered on line during 2020/21 due to Covid-19 restrictions. Scholars respond positively to the programme, not only by demonstrating higher academic success and orientation towards university education, but also by acquiring a greater level of self-confidence, resilience and a capacity for rational thinking. Case studies of past scholars indicate that the programme has had a great impact on their lives and aspirations.

The Brunel Young Scholars scheme hopes to stir the 'missing ingredient' into primary education by supplying parents of children receiving Pupil Premium with materials designed to help them identify and hone their child's individual talents and boost their learning potential and wellbeing. Parents are provided with materials which

help them recognise and nurture their child's talents and passions, including an activity book covering topics such as raising aspirations, setting up home projects and developing critical thinking.

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## Success in HE

**Aim: To reduce the non-continuation rates (commonly known as 'drop-out rates') and awarding gaps between students from underrepresented groups.**

Brunel's non-continuation rates overall compare favourably with the sector but our ambition is to close institutional gaps in attrition and awards, particularly for Black and Asian students, and build on current support for care leavers and mature students. A review of our Student Success Project in 2019/20 recommended a focus on anti-racism and the embedding of various strands of project work into a wider university anti-racism strategy, and we have implemented this recommendation in 2020/21, including the appointment of an anti-racism officer who has developed a training programme which is now being rolled out to all academic staff.

We are increasing our support for departmental projects, and in 2020/21 we saw the completion of two projects aimed at improving outcomes for underrepresented students in Physiotherapy and Finance & Accounting. We have also explored the experiences of undergraduate students from military families, a group that is still underreported in the sector. The importance of engaging with students and understanding their experiences when developing curricula and interventions have come through in all the projects, and in 2021/22 we will support a range of departmental action research projects aimed at improving award outcomes for underrepresented groups of students.

The Wellbeing Service at Brunel is a University-wide service that provides mental health and wellbeing support to all students. The Wellbeing Team gives expert advice and support to all disabled students, many of whom never think of themselves as disabled, so that they can fulfil their potential to become confident, talented and versatile graduates. We support those with specific learning difficulties such as dyslexia, mental health conditions such as anxiety, and medical conditions such as epilepsy and arthritis. Support includes the provision of diagnostic

assessments, support workers and access to the Assistive Technology Centre (ATC), and all these services were provided online in 2020/21 to ensure that students continued to be supported during lockdown periods.

Our dedicated Student Support and Welfare Officer continues to provide support for care leavers, estranged students, mature students, young carers and refugees. Support includes one to one appointments for support and advice, access to long-term loan laptops, emergency summer accommodation funding, support groups, social events and access to book vouchers.

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## Progression to employment and further study

**Aim: To improve the rates of progression of students from underrepresented groups into graduate-level employment or further study, and to reduce the gaps between these groups and other students.**

Activity to support the retention and employability of students from underrepresented groups during 2020/21 included the continuation of the Brunel Summer Internship Programme, with 199 students completing a programme of business etiquette workshops and more than 99 students successfully completing summer internships. The work of the project was heavily disrupted due to Covid-19 but engagement remained high and work is ongoing to secure further internships.

The first year of Graduate Outcomes data, a survey 15 months after graduation, is now available for our 2019-20 graduates and replaces the previous Destination of Leavers Higher Education ("DLHE") survey which surveyed students six months after graduation. The impact of COVID-19 is evident, and our students from Black, Asian and minority ethnic communities and disadvantaged backgrounds are less likely to be in graduate level employment. We know that placement and internship experiences can make a difference to outcomes, and we are therefore increasing our efforts to create more paid and flexible opportunities for students to engage with.

The Brunel Professional Mentoring Programme continued to run in 2020/21. The programme includes face-

to-face and e-mentoring for second and third year undergraduates from under-represented backgrounds. Additionally, the Ethnic Minority Undergraduate Scheme targets students from ethnic minority backgrounds and is managed in collaboration with the National Mentoring Consortium (NMC). All strands draw on experienced individuals from employers in the private and public sectors to serve as mentors. There were 268 matched mentoring pairs in 2020/21 (a slight 6% decrease from the previous year). In recent years the scheme has expanded to include mini internships and other career development events such as practice video interviews and mock group assessments. Over 40 employers currently support the scheme including, the Foreign and Commonwealth Office, Blake Morgan LLP, GlaxoSmithKline, HM Revenue & Customs, Jaguar Land Rover, PricewaterhouseCoopers, Government Legal Service and Brunel University London.

Following a successful pilot year, the Kickstart project ran successfully in 2020/21. The aim of the programme is to contact recent graduates from a targeted group of under-represented students eight-12 months after graduation and to offer them the opportunity to receive further intensive support, advice and coaching to help them either to gain employment or improve their employment prospects. The focus was on supporting aspects of the job search such as CV writing, interview techniques etc and crucially to develop confidence in those graduates possibly discouraged or jaded after a number of months still not in graduate roles. An additional element introduced for 2020/21 was to develop and provide opportunities for these graduates to gain professional experience, additional skills, and a knowledge of the workplace by offering seven paid graduate internships and workplace learning programmes.

## 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 over 400 scholarships are offered to Home, EU and International students. In 2020/21 a new Lifelong Learning Bursary was introduced which provides a full fee waiver for up to 10 mature students undertaking undergraduate study. This seeks to support those returning to education who might otherwise not be able to because of the financial commitment.

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

## Brunel Volunteers

Brunel Volunteers is a department which sits within our Professional Development Centre and works with charities, community groups and organisations to facilitate volunteering opportunities for students and staff to engage within the local and wider community. The



opportunities offered not only support charities, not-for-profit organisations and community projects, they help students to build skills relevant to future employment and explore different career paths before entering the graduate recruitment market.

In 2020/21 Brunel Volunteers worked with 24 external organisations which enabled 477 students to complete 5,325 volunteering hours.

Due to the pandemic, the department was limited in its ability to assist with key community volunteering activities in Hillingdon and beyond. Volunteering was largely restricted to individual remote roles supporting organisations such as Pield Heath House School, The Scouts Association, Hillingdon Citizen's Advice Bureau, Age UK and The Otermans Institute.

Despite the cancellation of numerous on-campus volunteering activities, Brunel Volunteers were still able to provide peer to peer support to new students via the Brunel Buddies scheme. In total 99 new students received support from 62 Brunel Buddy volunteers. In response to the pandemic and as an additional support service for isolating students, Brunel Volunteers launched the Brufrienders Scheme which saw 21 volunteers trained to collect and deliver key items to students unable to leave their campus accommodation.

Good Deeds Day, an annual Brunel and Uxbridge College partnership event, was unfortunately cancelled due to the pandemic but nevertheless replaced this year with the inaugural Community Appreciation Day event in May 2021. The event saw 220 appreciation messages shared by Brunel students and staff to thank individuals for their support throughout the year. Community Appreciation Day was supported within the local community by Pavilions – Uxbridge, and LOVE Uxbridge and fundraises for The Mayor of Hillingdon's Charitable Trust.

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# Corporate Governance Report

The following report is provided to enable readers of these Financial Statements to obtain an understanding of the University's governance and legal structure. The report is applicable for the financial year to 31 July 2021, and for the period extending to the date of signature of these financial statements.

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. The University has also 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 has responsibility for ensuring the appropriate processes are in place, and being followed, to maintain and improve the academic standards of the University.

The Conditions of Registration (specifically Condition E3) of the Office for Students (OfS) require that Council:

- accepts responsibility for the interactions between the University and the OfS and its designated bodies;
- ensures the University's compliance with all of its conditions of registration and with the OfS's accounts direction; and
- nominates to the OfS a senior officer as the 'accountable officer' who has the responsibilities set out by the OfS for an accountable officer from time to time. The Vice-Chancellor and President is the accountable officer of the University.

Council approves major developments and receives regular reports from the 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 the supporting Statutes. The versions

applicable in 2020/21 were approved by the Privy Council in July 2014.

In 2020/21, 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 in accordance with relevant best practice and accordingly, the Council has taken account of the UK Corporate Governance Code, and the OfS Accounts Direction requirements. 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. The Code was revised in June 2018.

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, oversees the academic standards of the University and the regulation of academic matters.

The principal academic and administrative officer of the University is the Vice-Chancellor and President, who has a general responsibility to the Council for maintaining and promoting the efficiency and good order of the University. The role of Chair of Council is separated from the role of the University's Chief Executive, the Vice-Chancellor and President.

As Chief Executive of the University, the Vice-Chancellor and President exercises considerable influence upon the development of institutional strategy, the identification and planning of new developments, and shaping of the institutional ethos. The Executive Board including 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. Council is kept informed of the key decisions and discussions of the Executive Board through the Vice-Chancellor's Report which is also given to the University's Senate meetings.

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 University has published information about its governance arrangements and committee structure on the Brunel University website at the following link: [brunel.ac.uk/about/administration/governance-and-university-committees/home](https://brunel.ac.uk/about/administration/governance-and-university-committees/home). This includes biographies of Council members and other senior officers. Further information about the committee structure and membership is disclosed in the Financial Statements each year and past copies of the Financial Statements are available on the University's website here: [brunel.ac.uk/about/information/financial-statements](https://brunel.ac.uk/about/information/financial-statements).

The statutes of the University specify that there shall be a Secretary to Council, who shall be appointed by 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 seven times in the 2020/21 academic year. 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 Remunerations Committee reviews and determines the salary and conditions of service of the Vice-Chancellor and her direct reports and the severance arrangements of higher paid staff as defined from time to time in the Accounts Direction made by the OfS. It also receives a report from the Vice-Chancellor on the performance of the senior management team. The Remuneration

Committee Report for 2020-21 is set out in the next section of these financial statements, starting at page 28.

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. 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.

Council also appoints members to joint committees with Senate such as the Honorary Degrees Committee. This committee is formally constituted with terms of reference and includes three independent members of Council.

The Ethics Advisory Committee exists to support Council and the University in ensuring that the aims and objectives of the Ethical Framework are fulfilled and is charged with responsibility for considering ethical matters referred to it by Council, Senate, the Vice Chancellor, the Executive or any other Committee or body within the University.

Day-to-day management of the University is conducted through 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 in 2020/21 was around 94%.

The University's Council, both directly and through its committees, is responsible for ensuring the delivery of value for money, defined as the economical, effective and efficient use of resources. In doing so, it has to ensure that funds from the OfS, Research England and as appropriate other funders are used only for the purposes for which they have been given and in accordance with the terms and conditions of funding of those bodies. The University discharges these responsibilities through a system of internal financial control, key elements of which include a comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets, together with monthly reviews of financial results involving variance reporting and updates of forecast outturns.

The Council is also responsible for the safeguarding of assets and oversight of systems to prevent and detect fraud and for the University's system of internal control and for reviewing its effectiveness. The system has operated effectively for the financial year to 31 July 2021, and for the period extending to the date of signature



of these financial statements. It has established the processes to comply with the direction from the Regulator for the identification, evaluation and management of the key risks facing the University. 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. 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 University benefits from the use of both external and internal audit functions with regard to the internal control environment. They perform different, complementary roles within the assurance framework and both are essential for the effective governance of the University. They report separately to the Audit Committee as well as to the University's Council. The external audit process helps to ensure that the internal controls, processes, guidelines and policies are adequate, effective and in compliance with regulatory requirements, and also ensures that reporting mechanisms prevent errors in financial statements. The internal audit function provides Council members and the Executive Board with assurance over the internal control environment that they can use to fulfil their own duties. Internal audit provides an objective and independent assurance, providing reasonable (not absolute) assurance of the overall effectiveness of governance, risk management and controls. Both functions assist the University to manage its resources efficiently, effectively and economically, and therefore to deliver value for money.

Despite the need to preserve their independence and objectivity, internal and external audit should maintain a close, constructive relationship. This is to ensure their work is coordinated and there is an efficient use of resources.

The Council has adopted a risk management policy, and has identified where the principal management responsibility rests for risk management. The Council is of the view that an ongoing process for identifying, evaluating and managing the University's significant risks has been in place, and operating effectively, since 31 July 2003.

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.

# Remunerations Committee Report

## Introduction

This is the annual report of the Remunerations Committee for the academic year to 31 July 2021 which describes its role, remit, membership and sets out the work it undertook and how it discharged its responsibilities. It sets out the decisions taken by the Committee in respect of the remuneration of the Vice-Chancellor and President and senior roles falling within its remit.

## Context

Senior pay in universities has continued to be a sensitive issue both within the sector, politically and publicly through press attention to the topic. The Remuneration Committee seeks to comply with the obligations set out by the Committee of University Chairs (CUC) and the Office for Students, to follow any guidance they might issue and demonstrate good practice. Decisions in relation to the remuneration of existing staff for 2020/21 were made early in the year in line with the normal review timetables and therefore do not reflect the financial difficulties that might face the University as a consequence of the SARS-COV2 pandemic. At that time there remained significant competition for high caliber academic and professional staff with the Committee having to balance affordability, value for money and justifiable levels of pay with the need to secure the leadership talent the University needs to succeed and achieve its strategic objectives.

## Remit and membership

The terms of reference for the Committee concern the remuneration of the Vice Chancellor and her direct reports, severance decisions above a threshold, broader remits to review salary increases for professors and senior managers and to consider reward schemes in the institution. The terms of reference are available here: [brunel.ac.uk/about/documents/pdf/co05.pdf](https://brunel.ac.uk/about/documents/pdf/co05.pdf).

The Committee's members were:

Mr Peter Teague (Chair), Independent member of Council (until 14 October 2020)  
Ms Lucinda Hunt, Deputy Chair of Council & Independent member of Council  
Professor Mike Spyer, Chair of Council  
Dr Kevin Thomas, Independent member of Council  
Mr Mukhtar Ahmed, Independent member of Council (Chair from 26 November 2020)

The Secretary to the Committee was Eliot Glover.

Meetings were also attended by Gemma Bailey (Director of Human Resources), Anne McNeil (Governance

Administrator – until January 2021), Bridget Alabi (Minute Secretary – until May 2021), Hazel Robinson (Associate Director of Reward, Recognition and Payroll), Rebecca Lingwood (Provost) and Andrew Murphy (Chief Financial Officer). No Committee member or attendee was present during discussion of their own remuneration.

The Vice Chancellor was present for matters other than her own pay and expenses and the Provost and the Chief Financial Officer attended discussions where their expertise and input was required.

## Scope of the Remunerations Committee

The roles whose remuneration was the direct responsibility of the Committee in 2020/21, can be found at Annex A, and include the University's Senior Leadership Team and higher earners (in this context 'higher earners' are deemed to be staff whose remuneration (excluding pension) is £150,000 or more). The Committee receives from the Vice Chancellor and President reports on the performance of the individuals concerned together with recommendations for the review of their remuneration which inform the Committee's decisions.

## Reward strategy and policies

The Committee has a documented approach to reward and recognition for the senior roles which is available on request. This refers to the need to attract, engage and retain high performing leaders and to ensure value for money. It also sets out the factors which are considered in setting and reviewing remuneration.

These include:

- The scale and nature of the institution and the challenges of the role;
- Information about the remuneration of similar roles in other, comparable institutions;
- The general salary increases for the sector;
- The performance of the individual and the institution in the year;
- The relationship between the pay of senior staff and the median for the institution; and
- Affordability.

## Benchmarking

For all roles in its remit, the Committee took account of information on pay for comparable roles in other universities of similar size and type. This information is drawn from the annual survey of senior staff produced by the Universities and Colleges Employers Association (UCEA).

The composition of the comparator group is subject to regular review and will be reconsidered in 2021/22.

The coronavirus pandemic has had a profound impact on the sector, both generally and on its finances. It is clear from the benchmarking data for 2020/21 that many institutions suspended their normal remuneration reviews for employees paid outside the JNCHES pay framework to protect their institution's financial position. The Committee agreed to adopt a similar position for the University and members of the senior leadership team and high earners did not receive a salary increase in 2020/21.

## Meetings in 2020/21

The Committee held four scheduled meetings during the year, on 17 September 2020, 5 November 2020, 25 February 2021 and 17 June 2021.

The agendas included:

- Decisions on the pay of roles within the Committee's remit.
- Agreeing the content of the annual remuneration report.
- Revision of the Committee's terms of reference.
- Considering and approving:
  - The salary sacrifice of USS employee contributions
  - The annual report on gender, ethnicity and disability pay gaps.
  - Base Pay and PRP Framework.
  - Review of Reward Strategy and Policy
  - The Senior Staff Reward Strategy and salary review process.
- Receiving and commenting on updates concerning:
  - Sector developments in pay and remuneration governance.
  - HR Proposals to Support Covid-19 Recovery Strategy.
  - Equal pay data.
  - Covid Corporate Finance Facility.
  - UCEA 2021/22 pay round consultation.
  - Senior leader's consultancy roles policy.
- In addition, the Committee received updates about and agreed the University's response to consultations via Universities UK concerning the USS pension scheme.

## Remuneration of the Vice Chancellor and President

Taking into account the significant impact of the pandemic on the University's financial position and the decision to pause salary reviews for other senior leaders and high

earners, the Vice-Chancellor's salary remained unchanged at £315,580.

The elements of the Vice Chancellor's remuneration for the year 2020/21 were:

Salary	£315,580
Benefits	£6,312
<b>Total</b>	<b>£321,892</b>

Note that the Vice Chancellor does not receive a full pension contribution (only the life assurance element) and does not have the use of any property.

The Vice Chancellor's salary was 7.2 times the median for all staff (2019/20: 7.2); the total remuneration was 6.1 times the median for all staff (2019/20: 6.7). For comparison, the median salary ratio for the sector last year was 7.5 (2019/20: 7.3).

It is important to note that sector figures are not yet compiled on a fully consistent basis, so there might be some adjustments to this comparative picture over time.

The responsibilities of the Vice Chancellor include:

- Working with Council to set and communicate strategy.
- Shaping the organisation, its culture and performance to ensure it can deliver that strategy.
- Ensuring delivery of plans and targets – in terms of educational quality, student experience, research profile, staff engagement, financial resilience, reputation etc.
- Managing relationships with critical stakeholders and partners, to advance Brunel's mission and strategy.

In addition, Council expects and encourages the Vice Chancellor to take a leading role in sector debates and fora nationally and to engage with and represent the University to stakeholders and partners in the UK and internationally. It was noted that the Vice Chancellor has recently completed her term in office as President of Universities UK, the collective voice of 140 universities across the country.

These responsibilities must be discharged in the context of an organisation of some scale, complexity, distinctiveness, diversity and international reach.

The University was founded in 1966 to provide education and research linked to industry, to equip students for the world of work and to address society's challenges. It was to be and is a home of technological education, championing innovation and advancement and giving the UK the knowledge base it needed to compete on the international stage.

The University now has more than 16,000 students. Over 2,900 are postgraduates and more than 3,000 come from outside the UK and EU. Income is £234 million, with c10% of it from research. There are c3,000 staff. Teaching and research are enhanced and sustained by international



as well as UK funding and by strong international partnerships with institutions in Brazil, the Middle East, China and South East Asia.

The Remunerations Committee sets pay for the Vice Chancellor taking account of the nature of the role and the institution as described above, but also performance. Many of the performance indicators are linked to the 2030 Strategy ([brunel.ac.uk/about/brunel-2030](https://brunel.ac.uk/about/brunel-2030)), which has five themes:

- a. Education and the student experience
- b. Research
- c. The University community
- d. The campus and the local community
- e. Global impact

The University continues to make progress against the milestones set for all these themes.

In addition, the Vice Chancellor is expected to: develop and lead the institution to be financially sustainable; enhance the capability and performance of the leadership team; and represent the University in sector networks and organisations, to partners and stakeholders. Achievements in all these areas inform the judgement of performance.

The Vice Chancellor's salary is at the upper end – but not the top – of the benchmark group, reflecting her experience and track record of achievement in leading the University. Her total remuneration is around the middle of the benchmark group, because – unlike most others – she does not take a full pension contribution (or cash in lieu) and does not have University accommodation.

The Remunerations Committee believes that the remuneration of the Vice Chancellor is fully justified, taking account of the scale and nature of the institution, the challenges of the role, her commitment as President of Universities UK, benchmarking information and performance over time.

## Annex A:

### The Senior Leadership Team

Vice Chancellor & President

Provost

Vice-Provost, Research

Vice-Provost, Students, Staff and Civic Engagement

Vice-Provost, Education

Vice Provost, International and Academic Partnerships

Vice-Provost and Dean of College (College of Engineering, Design and Physical Sciences – CEDPS)

Vice Provost and Dean of College (College of Business, Arts and Social Sciences – CBASS)

Vice-Provost and Dean of College (College of Health, Medicine and Life Sciences – CHMLS)

Chief Finance Officer

Chief Business & Innovation Officer

Director of Human Resources

Chief Student and Staff Services Officer

Director of Strategic Planning

Principal Strategic Advisor to the Vice Chancellor

Chief Governance Officer

# Statement of Primary Responsibilities of the University Council

The 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 and President, 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 the University, embracing the principles of corporate social responsibility.
- 1.8 To appoint the Vice-Chancellor and President 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.

## Council's Responsibilities for the Financial Statements

The Council is responsible for preparing the financial statements in accordance with the University's Royal Charter, the requirements of the Office for Students' Terms and conditions of funding for higher education institutions, the terms and conditions of UK Research and Innovation (including Research England), and applicable law and regulations.

The Council is required to prepare group and parent University financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. The terms and conditions of funding further require the financial statements to be prepared in accordance with the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education, in accordance with the requirements of the Accounts Direction issued by the Office for Students. The Council is required to prepare financial statements which give a true and fair view of the state of affairs of the group and parent University and of their income and expenditure, gains and losses and changes in reserves for that period.

In preparing each of the group and parent University financial statements, the Council is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group and parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent University or to cease operations, or have no realistic alternative but to do so.

The Council is responsible for keeping proper accounts and proper records in relation to the accounts. The Council is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The Council is also responsible for ensuring that:

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students and UK Research and Innovation have been applied in accordance with the terms and conditions attached to them;
- ensuring that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources; and
- securing the economical, efficient and effective management of the university's resources and expenditure.

The Council is responsible for the maintenance and integrity of the corporate and financial information included on the University's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# Independent Auditor's Report to the Council of Brunel University London

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of Brunel University London ("the University") for the year ended 31 July 2021 which comprise the Consolidated and University Statement of Comprehensive Income and Expenditure, the Consolidated and University Balance Sheet, the Consolidated and University Statement of Changes in Reserves, and the Consolidated Cash Flow Statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the University's affairs as at 31 July 2021, and of the Group's and the University's income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows, for the year then ended; and
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### Going concern

The Council has prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the University or to cease their operations, and as they have concluded that the Group and the University's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Council's conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the

Group and University's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Council's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Council's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the University's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the University will continue in operation.

### Fraud and breaches of laws and regulations – ability to detect

*Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the Audit Committee, Council, and internal audit as to whether they have knowledge of any actual, suspected or alleged fraud;
- Reading Council, Board and Audit Committee meeting minutes; and
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that income from tuition fees and education contracts, research grants and contracts, and other income is recorded in the wrong period. We also consider the risk that management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.



We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual account combinations and other unusual journal characteristics.
- Assessing significant accounting estimates for bias.
- Sample testing of income received in the period 1 July 2021 to 30 September 2021 to determine whether income was recognized in the correct accounting period.
- Sample testing of students whose course dates crossed the end of the financial year to confirm if income was recognised in the correct period and deferred at year end where appropriate.

*Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the governing body and other management (as required by auditing standards).

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation, taxation legislation, pensions legislation and specific disclosures required by higher education legislation and regulation, charities legislation and related companies legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the need to include significant provisions. We identified the following areas as those most likely to have such an effect: health and safety, data protection and employment, recognising the regulated nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

*Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

## Other information

The Council is responsible for the other information, which comprises the Strategic Report and Corporate Governance Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information; and
- in our opinion the information given in the Strategic Report and Corporate Governance Report, is consistent with the financial statements.

## Council responsibilities

As explained more fully in their statement set out on page 32, the Council is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the Group or the parent University or to cease operations, or has no realistic alternative but to do so.

## Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

## Report on other legal and regulatory requirements

We are required to report on the following matters by the Accounts Direction dated 25 October 2019 issued by the Office for Students ('the Accounts Direction').

In our opinion, in all material respects:

- funds from whatever source administered by the Group or 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; and
- funds provided by the Office for Students, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions; and
- the financial statements meet the requirements of the Accounts Direction dated 25 October 2019 issued by the Office for Students.

## Matters on which we are required to report by exception

We are required by the Accounts Direction to report to you where the University has an access and participation plan that has been approved by the Office for Students' director of fair access and participation and the results of our audit work indicate that the Group's and the University's expenditure on access and participation activities for the financial year disclosed in Note 7 has been materially misstated.

We are also required by the Accounts Direction to report to you where the results of our audit work indicate that the Group's and the University's grant and fee income, as disclosed in note 3a to the financial statements has been materially misstated.

We have nothing to report in these respects.

## The purpose of our audit work and to whom we owe our responsibilities

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



### Dean Gibbs (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

*Chartered Accountants*

15 Canada Square  
London E14 5GL  
November 2021

## Consolidated and University Statement of Comprehensive Income and Expenditure Year Ended 31 July 2021

	Notes	Year ended 31 July 2021		Year ended 31 July 2020	
		Consolidated	University	Consolidated	University
		£'000	£'000	£'000	£'000
<b>Income</b>					
Tuition fees and education contracts	1	155,050	155,050	138,053	138,053
Funding body grants	2	29,204	29,204	30,381	30,381
Research grants and contracts	3	20,916	20,916	26,111	26,111
Other income	4	28,462	28,287	41,845	41,778
Investment income	5	29	29	408	408
Donations and endowments	6	383	496	286	286
<b>Total income</b>		<b>234,044</b>	<b>233,982</b>	<b>237,084</b>	<b>237,017</b>
<b>Expenditure</b>					
Staff costs	7	140,905	140,862	135,956	135,913
Movement in USS Deficit Recovery Provision	7&8	2,895	2,895	(21,268)	(21,268)
Other operating expenses	9	89,939	89,916	76,935	76,791
Depreciation and amortisation	10&11	17,872	17,872	18,849	18,849
Interest and other finance costs	8	5,190	5,190	5,184	5,184
<b>Total expenditure</b>		<b>256,801</b>	<b>256,735</b>	<b>215,656</b>	<b>215,469</b>
<b>(Deficit) / Surplus before tax</b>		<b>(22,757)</b>	<b>(22,753)</b>	<b>21,428</b>	<b>21,548</b>
Taxation		0	0	0	0
<b>Surplus / (Deficit) for the year</b>		<b>(22,757)</b>	<b>(22,753)</b>	<b>21,428</b>	<b>21,548</b>
Actuarial (loss) in respect of pension schemes	30	(3,187)	(3,187)	(18,472)	(18,472)
Change in fair value of hedging financial Instruments	17	12,385	12,385	(7,115)	(7,115)
<b>Total comprehensive (deficit) for the year</b>		<b>(13,559)</b>	<b>(13,555)</b>	<b>(4,159)</b>	<b>(4,039)</b>
<b>Represented by</b>					
Endowment comprehensive income for the year		163	163	4	4
Restricted comprehensive income for the year		2	2	8	8
Unrestricted comprehensive income for the year		(13,724)	(13,720)	(4,171)	(4,051)
		<b>(13,559)</b>	<b>(13,555)</b>	<b>(4,159)</b>	<b>(4,039)</b>
<b>(Deficit) / Surplus for the year attributable to:</b>					
University (100%)		(22,757)	(22,753)	21,428	21,548
<b>Total Comprehensive (deficit) for the year attributable to</b>					
University (100%)		(13,559)	(13,555)	(4,159)	(4,039)

All items of income and expenditure relate to continuing activities. The accompanying notes form part of these financial statements.

# Brunel University London

Consolidated and University Statement of Changes in Reserves – Year Ended 31 July 2021

Consolidated	Endowment £'000	Income and expenditure account Restricted £'000	Unrestricted £'000	Cashflow Hedge Reserve £'000	Total £'000
<b>Balance at 1 August 2019</b>	<b>1,568</b>	<b>175</b>	<b>207,235</b>	<b>(46,790)</b>	<b>162,188</b>
Surplus / (deficit) from the income and expenditure statement	4	8	21,416	0	21,428
Other comprehensive income / (expenditure)	0	0	(18,472)	0	(18,472)
Movement in hedge reserve	0	0	0	(7,115)	(7,115)
Other Reserves Movement	0	0	15	0	15
Total comprehensive income / (expenditure) for the year	4	8	2,959	(7,115)	(4,144)
<b>Balance at 1 August 2020</b>	<b>1,572</b>	<b>183</b>	<b>210,194</b>	<b>(53,905)</b>	<b>158,044</b>
Surplus / (deficit) from the income and expenditure statement	163	2	(22,922)	0	(22,757)
Other comprehensive income / (expenditure)	0	0	(3,187)	0	(3,187)
Movement in hedge reserve	0	0	0	12,385	12,385
<b>Total comprehensive income / (expenditure) for the year</b>	<b>163</b>	<b>2</b>	<b>(26,109)</b>	<b>12,385</b>	<b>(13,559)</b>
<b>Balance at 31 July 2021</b>	<b>1,735</b>	<b>185</b>	<b>184,085</b>	<b>(41,520)</b>	<b>144,485</b>
<b>University</b>	<b>Endowment £'000</b>	<b>Income and expenditure account Restricted £'000</b>	<b>Unrestricted £'000</b>	<b>Cashflow Hedge Reserve £'000</b>	<b>Total £'000</b>
<b>Balance at 1 August 2019</b>	<b>1,568</b>	<b>175</b>	<b>207,124</b>	<b>(46,790)</b>	<b>162,077</b>
Surplus / (deficit) from the income and expenditure statement	4	8	21,536	0	21,548
Other comprehensive income / (expenditure)	0	0	(18,472)	0	(18,472)
Movement in hedge reserve	0	0	0	(7,115)	(7,115)
Total comprehensive income / (expenditure) for the year	4	8	3,064	(7,115)	(4,039)
<b>Balance at 1 August 2020</b>	<b>1,572</b>	<b>183</b>	<b>210,188</b>	<b>(53,905)</b>	<b>158,038</b>
Surplus / (deficit) from the income and expenditure statement	163	2	(22,918)	0	(22,753)
Other comprehensive income / (expenditure)	0	0	(3,187)	0	(3,187)
Movement in hedge reserve	0	0	0	12,385	12,385
<b>Total comprehensive income / (expenditure) for the year</b>	<b>163</b>	<b>2</b>	<b>(26,105)</b>	<b>12,385</b>	<b>(13,555)</b>
<b>Balance at 31 July 2021</b>	<b>1,735</b>	<b>185</b>	<b>184,083</b>	<b>(41,520)</b>	<b>144,483</b>

The accompanying notes form part of these financial statements.



## Consolidated and University Balance Sheet 31 July 2021

		As at 31 July 2021		As at 31 July 2020	
	Notes	Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>Non-current assets</b>					
Intangible Assets	10	70	70	94	94
Tangible assets	11	401,041	401,041	411,013	411,013
Investments	12	33	33	33	33
		<b>401,144</b>	<b>401,144</b>	<b>411,140</b>	<b>411,140</b>
<b>Current assets</b>					
Stock	13	63	63	175	175
Trade and other receivables	14	24,159	24,157	29,818	29,815
Investments	15	32,000	32,000	17,000	17,000
Cash and cash equivalents	22	46,703	46,690	40,458	40,448
		102,925	102,910	87,451	87,438
Less: Creditors: amounts falling due within one year	16	(70,089)	(70,076)	(59,647)	(59,640)
<b>Net current assets</b>		<b>32,836</b>	<b>32,834</b>	<b>27,804</b>	<b>27,798</b>
<b>Total assets less current liabilities</b>		<b>433,980</b>	<b>433,978</b>	<b>438,944</b>	<b>438,938</b>
Creditors: amounts falling due after More than one year	18	(165,278)	(165,278)	(168,779)	(168,779)
<b>Provisions</b>					
Pension provisions	19	(124,217)	(124,217)	(112,121)	(112,121)
<b>Total net assets</b>		<b>144,485</b>	<b>144,483</b>	<b>158,044</b>	<b>158,038</b>
<b>Restricted Reserves</b>					
Income and expenditure reserve – endowment reserve	20	1,735	1,735	1,572	1,572
Income and expenditure reserve – restricted reserve	21	185	185	183	183
<b>Unrestricted Reserves</b>					
Income and expenditure reserve – unrestricted		184,085	184,083	210,194	210,188
Cash-flow Hedge reserve	17	(41,520)	(41,520)	(53,905)	(53,905)
<b>Total Reserves</b>		<b>144,485</b>	<b>144,483</b>	<b>158,044</b>	<b>158,038</b>

The accompanying notes form part of these financial statements.

The financial statements were approved by the Governing Body on 23 November 2021 and were signed on its behalf on that date by:

Julia Buckingham CBE, Vice-Chancellor and President

Michael Spyer, Chair of Council

## Consolidated Cash-Flow Statement

### Year ended 31 July 2021

	Notes	July 2021 £'000	July 2020 £'000
<b>Cash flow from operating activities</b>			
Surplus / (Deficit) for the year		(22,757)	21,428
<b>Adjustment for non-cash items</b>			
Depreciation and amortisation	10&11	17,872	18,849
Decrease / (Increase) in stock	13	112	(1)
Decrease / (Increase) in debtors	14	5,659	(3,514)
Increase / (Decrease) in creditors	16	11,698	(1,358)
Increase / (Decrease) in pension provision	30	8,909	(16,846)
Impairment of Fixed Assets		8,773	318
Other Reserves Movement		0	15
<b>Adjustment for investing or financing activities</b>			
Investment income	5	(29)	(408)
Interest payable	8	3,946	4,044
Endowment income		(263)	(149)
Capital Grant Income		(5,967)	(10,462)
<b>Net cash inflow from operating activities</b>		<b>27,953</b>	<b>11,916</b>
<b>Cash flows from investing activities</b>			
Capital Grant Receipts		15,458	1,831
(Increase) of deposits		(15,000)	0
Withdrawal of deposits		0	10,000
Investment income		29	408
Payments made to acquire fixed assets		(16,794)	(7,132)
Impairment of non-current asset investments		0	118
		<b>(16,307)</b>	<b>5,225</b>
<b>Cash flows from financing activities</b>			
Interest paid	8	(3,946)	(4,044)
Endowment cash received	20 & 21	263	149
Repayments of amounts borrowed	16	(1,718)	(1,628)
		<b>(5,401)</b>	<b>(5,523)</b>
<b>Increase / (Decrease) in cash and cash equivalents in the year</b>		<b>6,245</b>	<b>11,618</b>
Cash and cash equivalents at beginning of the year	22	40,458	28,840
Cash and cash equivalents at end of the year	22	<b>46,703</b>	<b>40,458</b>

The accompanying notes form part of the financial statements

# Statement of Accounting Policies for the year ended 31 July 2021

## 1. Accounting convention

The Consolidated and University financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019. They have also been prepared in accordance with the “carried forward” powers and duties of previous legislation (Further and Higher Education Act 1992 and the Higher Education Act 2004) and the new powers of the Higher Education and Research Act 2017, the Royal Charter, the Accounts Direction issued by the OfS, the terms and conditions of funding for higher education institutions issued by the OfS, and the terms and conditions of the Research England grant.

The University is a public benefit entity and therefore has applied the relevant public benefit requirement of applicable UK laws and accounting standards.

## 2. Basis of Preparation

The financial statements have been prepared in accordance with the historical cost convention and the restatement of fixed assets revalued on 31 July 2014 at deemed cost. The financial statements are prepared in sterling which is the functional currency of the group, and rounded to the nearest £000.

The University’s activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report, which also describes the financial position of the University, its cash flows, liquidity position and borrowing facilities.

The members of Council have considered cash flow forecasts for a period of 12 months from the date of approval of these financial statements (the going concern period), which indicate that, taking account of severe but plausible downsides, including the impact of Covid-19, the University will have sufficient funds to meet its liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

The financial statements have been prepared on a going concern basis which the Members of Council consider to be appropriate as outlined below.

In reaching this conclusion, the Members of Council have considered the following factors:

- A number of scenarios have been considered based on differing outcomes in terms of potential reductions in student recruitment and retention, the USS pension negotiations, a further lockdown during the next 12 months and increased inflation rates. This scenario-based modelling has shown that the University has sufficient capacity to continue as a going concern by employing expenditure control measures appropriate to each scenario.
- Proposed capital expenditure plans have also been reviewed in detail and this exercise has also shown that the Council could preserve the University’s cash position going forward by re-phasing non-essential capital works across future years.
- The University has also confirmed with its current lenders that the relevant covenant conditions can still be met over the next 12-18 month period.

The Members of Council believe the University has sufficient funding in place and expect the University to be in compliance with its debt covenants even in severe but plausible down side scenarios.

Consequently the Members of Council are confident that the University will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

## 3. Exemptions under FRS102

The Institution has taken the exemption under section 3.3 of the SORP (1.12(b) of FRS102) not to produce a cash-flow statement for the University or its subsidiary in its separate financial statements.

## 4. Basis of consolidation

The consolidated financial statements include the University and all its subsidiaries for the financial year to 31 July 2021.

Gains or losses on any intra-group transactions are eliminated in full. Amounts in relation to debts or claims between undertakings included in the consolidation are also eliminated. Balances between Brunel and its associates are not eliminated. Normal trading transactions that are not settled by the balance sheet date are included as current assets or liabilities. Any gains or losses are included in the carrying amount of assets of either entity, the part relating to Brunel’s share is eliminated.

The consolidated financial statements do not include the income and expenditure of the Students' Union as the University does not exert control or dominant influence over policy decisions.

## 5. Income recognition

Income from the sale of goods or services is credited to the Consolidated Statement of Comprehensive Income and Expenditure when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

Tuition fee income is stated gross of any expenditure which is not a discount and credited to the Consolidated Statement of Income and Comprehensive Expenditure over the period in which students are studying. Where the amount of the tuition fee is reduced, by a discount for prompt payment, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income. Education contracts are recognised when the institution is entitled to the income, which is the period in which students are studying, or where relevant, when performance conditions have been met.

Investment income is credited to the statement of income and expenditure on a receivable basis.

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

### Grant funding

Government revenue grants including funding council block grant and research grants are recognised in income over the periods in which the University recognises the related costs for which the grant is intended to compensate. Where part of a government grant is deferred it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

Grants (including research grants) from non-government sources are recognised in income when the University is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

### Donations and endowments

Non-exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor imposed restrictions are recognised in income when the University is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with such

restrictions at which point the income is released to general reserves through a reserve transfer.

Donations with no restrictions are recognised in income when the University is entitled to the funds.

Investment income and appreciation of endowments is recorded in income in the year in which it arises and as either restricted or unrestricted income according to the terms of the restriction applied to the individual endowment fund.

There are four main types of donations and endowments identified within reserves:

- a. Restricted donations – the donor has specified that the donation must be used for a particular objective.
- b. Unrestricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the University.
- c. Restricted expendable endowments – the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the University has the power to use the capital
- d. 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.

### Capital grants

Government capital grants are recognised in income over the expected useful life of the asset. Other capital grants are recognised in income when the University is entitled to the funds subject to any performance related conditions being met.

## 6. Accounting for retirement benefits

The three principal pension schemes for the University are the Universities Superannuation Scheme (USS), the Teachers' Pension Scheme (TPS) and the London Pension Fund Authority Pension Fund (LPFA). The schemes are defined benefit schemes which were externally funded and contracted out of the State Second Pension (S2P). USS and LPFA are valued every three years by professionally qualified independent actuaries, the details of which are described further in the notes to the accounts.

The USS and TPS are multi-employer schemes for which it is not possible to identify the assets and liabilities to the University of members due to the mutual nature of the schemes and therefore the schemes are accounted for as defined contribution retirement benefit schemes.

A liability is recorded within provisions for any contractual commitment to fund past deficits within the USS scheme.



## Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

## Multi-employer schemes

Where an institution is unable to identify its share of the underlying assets and liabilities in a multi-employer scheme on a reasonable and consistent basis, it accounts as if the scheme were a defined contribution scheme.

Where the institution has entered into an agreement with such a multi-employer scheme that determines how the institution will contribute to a deficit recovery plan, the institution recognises a liability for the contribution payable that arise from the agreement, to the extent that they relate to the deficit, and the resulting expense is recognised in expenditure.

The institution participates in Universities Superannuation Scheme. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set.

The 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. As required by Section 28 of FRS 102 "Employee benefits", the institution therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the profit and loss account.

## Defined Benefit Schemes

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Under defined benefit plans, the University's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the University.

The Group should recognise a liability for its obligations under defined benefit plans net of plan assets. This net defined benefit liability is measured as the estimated

amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets. The calculation is performed by a qualified actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which the University is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Annually the University engages independent actuaries to calculate the obligation for each scheme. The present value is determined by discounting the estimated future payments at a discount rate based on market yields of high quality corporate bonds denominated in sterling with terms approximating the estimated period of future payments. The fair value of a scheme's assets is measured in accordance with the FRS102 fair value hierarchy and in accordance with the University's policy for similarly held assets. This includes the use of appropriate valuation techniques. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts, together with the return on plan assets less amounts included in net interest, are disclosed as actuarial gains and losses. The cost of the defined benefit plan, recognised in expenditure as staff costs, except where included in the cost of an asset, comprises the increase in pension benefit liability arising from employee service during the period and the cost of plan introductions, benefit changes, curtailments and settlements. The net interest cost is calculated by applying the discount rate to the net liability. This cost is recognised in expenditure as a finance cost.

Further detail is provided on the specific pension schemes in note 30 to the accounts.

## 7. Employment benefits

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to the University. Any unused benefits are accrued and measured as the additional amount the University expects to pay as a result of the unused entitlement using the salary rate applying on 31 July.

## 8. Finance leases

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease and the corresponding lease liabilities are initially recognised at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding

liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

## 9. Operating leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the minimum lease term.

## 10. Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the time of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in Surplus or Deficit.

## 11. Property, plant and equipment

### Land and buildings

Freehold land is not depreciated as it is considered to have an indefinite useful life.

Costs incurred in relation to land and buildings after initial purchase or construction are capitalised to the extent that they increase the expected future benefits to the University.

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 split into three component parts: structure, fit-out and plant and machinery, the economic life of which is determined by architects' certificate, these will be depreciated over their economic life on a straight line basis. The sum of the component parts' economic life will not exceed fifty years. Improvements to leasehold premises are amortised over the period of the lease. Expenditure relating to subsequent replacement of components is capitalised as incurred.

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. Site clearance costs are only capitalised as part of enabling works for the construction of a new asset and in this case they are included in the costs of the building and will be depreciated over the life of the new asset. Site clearance costs alone (i.e. with no subsequent construction) will be expensed in the year they are incurred.

The cost of asbestos removal is a legal requirement and will be expensed when incurred. The only exclusions are for major building works that require complete demolition

of a building containing asbestos. In this case the removal will be included in the costs of preparing the site for the new building and included in the cost of the new building when complete.

Expenditure to ensure that a tangible fixed asset maintains its previously recognised standard of performance is expensed in the period it is incurred. This includes long term maintenance and work arising from stock condition surveys, even if there is an element of betterment in the expenditure.

A review for impairment of land and buildings is carried out annually and 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, the asset value will be reduced accordingly and recorded as an impairment.

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Balance Sheet.

Where capitalised assets are acquired with the aid of specific government grants, the related grant is treated as a deferred capital grant and released to the Statement of Comprehensive Income (SOCi) over the expected useful economic life.

### Equipment

Equipment is capitalised at cost on initial recognition and then subsequently at cost less accumulated depreciation and accumulated impairment losses. All laboratory and other equipment with a single item value above £10,000 is capitalised at cost. Laboratory and other equipment costing less than £10,000 per individual item or group of related items is expensed in the year of purchase.

Capitalised equipment is depreciated over its expected useful economic life, as follows:

Catering equipment	10 years
Telephone and security equipment	5 years
File servers, networks infrastructure and other central IT equipment	5 years
Office equipment, academic equipment, printers	5 years
Purchased motor vehicles	4 years
PC's & laptops purchased to kit out a classroom only	4 years
Groups of public domain and other personal computers	3 years
Laboratory equipment	10 years, unless funded by a shorter research grant
Equipment acquired for research projects	Project life

IT equipment, including PCs, laptops, servers, network infrastructure, where individual items are above £10,000 will be capitalised. Groups of items that individually are below £10,000, even if in aggregate they exceed £10,000, will be expensed in the year of purchase, with the exception of Capital Projects equipping classrooms with PC/fixed laptops, telephone networks (not mobile phones) and laboratory equipment. There may be scope to fund these via government capital receipts.

Furniture and fittings installed as part of a major building construction, rebuild or renewal and exceeding £50,000 in total may be capitalised as part of the building project and written off over 3 years. This includes furnishings and fittings that are specialist or would not easily be substituted for use in another department. Otherwise all furniture and fittings will be expensed.

Equipment in the course of construction is not depreciated.

A review for impairment of equipment is carried out annually and 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.

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Balance Sheet.

Where capitalised assets are acquired with the aid of specific government grants, the related grant is treated as a deferred capital grant and released to the Statement of Comprehensive Income (SOC) over the expected useful economic life.

### Borrowing costs

Borrowing costs are recognised as expenditure in the period in which they are incurred.

## 12. Intangible assets

Intangible assets acquired or developed are initially recognised at cost. Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment. Intangible assets are amortised on a straight line basis over their estimated useful lives as follows:

Software acquired or developed – five years representing the remaining estimated economic life of the assets.

Software costing more than £100k may be capitalised, as long as is used in a live environment and is written off over 5 years or its expected useful life if shorter. This relates to purchased or developed software, not cloud based and licensed software, which will be expensed in the year of purchase. Expensing of licensed software is standard accounting practice because the assets are never owned by Brunel University London.

## 13. Heritage assets

Heritage assets are individual objects, collections, specimens or structures of historic, scientific or artistic value that are held and maintained principally for their contribution to knowledge and culture.

Heritage assets acquired before 1 August 2007 have not been capitalised, since reliable estimates of cost or value are not available at a cost that is commensurate with the benefits to users of the financial statements.

Works of art and other valuable artefacts acquired since 1 August 2007 and valued at over £25,000 have been capitalised and recognised at the cost or value of the acquisition, where such a cost or valuation is reasonably obtainable. Heritage assets are not depreciated as their long economic life and high residual value mean any depreciation would not be material. The assets are subject to an annual impairment review in accordance with applicable accounting standards.

## 14. Investments

Non-current asset investments are held on the Balance Sheet at amortised cost less impairment.

Investments in subsidiaries are carried at cost in the University's accounts.

Current asset investments are held at fair value with movements recognised in the Surplus or Deficit as a loss or gain on investments.

## 15. Stock

Stock is held at the lower of cost and net realisable value, and is measured using an average cost formula.

## 16. Cash and cash equivalents

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.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

## 17. Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

- the University has a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

A contingent liability arises from a past event that gives the University a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the University. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives the University a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the University.

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in the notes.

## 18. Taxation

The University is an exempt charity within the meaning of Part 3 of the Charities Act 2011. It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the University is potentially exempt from UK corporation taxation in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

The University receives no similar exemption in respect of Value Added Tax. Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to fixed assets is included in their cost.

The University's subsidiaries are liable to Corporation Tax in the same way as any other commercial organisation.

Current tax, including UK Corporation tax and foreign tax, is provided at the amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are only recognised when more likely than not to be recovered. Deferred tax assets and liabilities are not discounted.

## 19. Financial Instruments

The University has elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition, measurement and disclosure of financial instruments. Financial assets and liabilities are recognised when the University becomes party to a contractual provision of the instrument and they are classified according to the substance of the contractual arrangements entered into.

A financial asset and a financial liability are offset only when there is a legally enforceable right to set off the recognised amounts and an intention either to settle on a net basis, or to realise the asset and to settle the liability simultaneously.

### Financial Assets

Basic financial assets include trade and other receivables, cash and cash equivalents, and investments in commercial paper (i.e. deposits and bonds). These assets are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method. Financial assets are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the statement of comprehensive income.

For financial assets carried at amortised cost the impairment loss is the carrying value of the asset and the present value of the estimated future cash-flows, discounted at the asset's original effective interest rate.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures are initially measured at fair value, which is typically the transaction price. These assets are subsequently carried at fair value and changes in fair value at the reporting date are recognised in the statement of comprehensive income. Where the investment in equity instruments are not publicly traded and where the fair value cannot reliably be measured, the assets are deemed impaired and written back to the statement of comprehensive income.

Financial assets are de-recognised when the contractual rights to the cash flows from the asset expire or are settled or substantially all of the risks and rewards of the ownership of the asset are transferred to another party.

### Financial liabilities

Basic financial liabilities include trade and other payables, bank loans and intra-group loans. These liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of



interest. Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within 1 year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Derivatives are not basic financial instruments. Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value at the reporting date. Changes in the fair value of derivatives are recognised in the statement of comprehensive income in finance costs or finance income as appropriate.

The University applies the principles of hedge accounting to derivatives which are set up as a cash-flow hedge to protect against the possibility of future interest payments on loans (deemed the hedged item) being higher than the interest rate at inception. Further details are included in the statement of accounting estimates and judgements. Accordingly changes in the fair value of the derivative are reflected as a movement in the cash-flow hedge reserve as opposed to recognition through finance costs to the extent that the hedge is deemed effective. Effectiveness of the hedge is determined by application of the dollar offset method.

Financial liabilities are de-recognised when the liability is discharged, cancelled or expires.

## 20. Reserves

Reserves are classified as restricted or unrestricted. Restricted endowment reserves include balances which, through endowment to the University, are held as a permanently restricted fund which the University must hold in perpetuity.

Other restricted reserves include balances where the donor has designated a specific purpose and therefore the University is restricted in the use of these funds.

# Statement of Accounting Estimates and Judgements for the year ended 31 July 2021

## Statement of Accounting Estimates and Judgements

The preparation of the Institution's financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. These judgements, estimates and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

### Remaining Economic Lives of Buildings

The University took advantage of the same qualified independent chartered surveying firm Gerald Eve to reassess the remaining lives of the buildings which Gerald Eve had apportioned between the structure, fit-out and plant & machinery based on site inspections. Wherever University requirement and direction was that the building would be demolished (such as the computing building), this lesser life was applied by Gerald Eve. This has resulted in some buildings having an economic life that from new would have been in excess of 50 years.

### Fair Value of SWAPs and their Effectiveness as a Hedged Instrument

The University took out 3 SWAPs to mirror 3 loans which charged interest at LIBOR plus 22 basis points. The effect for the University was to translate variable interest rates into a fixed rate by a 100% effective hedging instrument. The University measures the current "out of the market" position by comparing the current market value of the SWAP to the discounted fixed interest repayments over the life of the SWAP using Thompson Reuters software. The "out of the market" position is reflected in the Balance Sheet as the fair value of the hedged instruments.

The loan and SWAP repayment schedule for each of the three deals had repayment dates and amounts which were identical until 2040. The University was unable at the inception of the loan to obtain a 40 year loan as intended because 35 years was the maximum offered at that time. As a result, the three loans all contain a balloon payment on 7 December 2040. The SWAPS were set at 40 years in anticipation that Lloyds would reconsider the final repayment date further into the loan repayment program. Brunel has received written confirmation from Lloyds Bank that they are willing to negotiate an extension prior to 7 December 2040 which Brunel would take to 2045

on the same repayment dates as the SWAP. Thus Brunel considers the SWAPs to be a 100% effective hedged instrument and has applied hedge accounting treatments accordingly.

### LGPS Pension Liability

The University obtained a valuation from Barnett Waddingham, who used their standard financial assumptions to calculate the net liability of the scheme. These assumptions included the RPI%, CPI% increases, salary increases, pension increases, discount rate and the estimate of the duration of employer liabilities. The University is ultimately responsible for ensuring that the appropriate rates are applied and therefore management reviewed the standard assumptions with the assistance of Mercer. As a result of this review, management decided that the discount rate, CPI rate required amendment together with the consequent impact on salary and pension increases.

The method used for determining the expected rate of inflation in future years has been amended by our actuaries compared to the method used in the 2018-19 accounts. This is due to a change in the method of calculating RPI from 2030 announced by the government in 2019. This is one of the assumptions used in determining the future value of pension obligations. The estimated impact increases the net liability by £6.2m.

The actual return on investments has been reported in the financial statements but there is always an element of estimation applied by the actuary when splitting the overall assets into different classes, such as equities or target return portfolio.

### USS Deficit Recovery Program Liability

The University used a model commissioned by the British Universities Finance Directors Group (BUFDG) and discount rates as suggested by BUFDG. Salary growth percentage was taken as 1.5% scale increase and 1% inflation increase for 21/22, 22/23 and 23/24. Staff numbers in future years agreed to the budget produced for July 2021 and assumed to increase by 1% thereafter until 2034.

The University has concluded that the current schedule of contributions is the correct basis to use.

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and

represents (typically) an industry-wide scheme such as that provided by USS. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund the deficit results in the recognition of a liability for the contribution payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense is recognised in the SOCI in accordance with section 28 of FRS 102. The University is satisfied that the scheme provided by USS meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

Note 19 provides a sensitivity analysis of these assumptions and the University is satisfied that these assumptions are not a source of material uncertainty.

### **Access and Participation Disclosure**

The Access and Participation disclosure note includes percentages of employee time which have been apportioned in accordance with OfS guidance. In the absence of timesheets, for general student-facing departments the costs are apportioned based on the percentage of access and participation students contained within the Brunel student population as a whole. In other teams where the work of the team is targeted at specific student groups, salaries are apportioned based on the percentage of that team's time spent supporting those students who are included within the overall aims of the Access and Participation plan.

## Notes to the Accounts for the year ended 31 July 2021

	Notes	Year ended 31 July 2021		Year ended 31 July 2020	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>1. Tuition fees and education contracts</b>					
Full-time home and EU students		92,562	92,562	85,323	85,323
Full-time international students		51,458	51,458	45,217	45,217
Part-time students		4,236	4,236	3,044	3,044
NHS Education Contract		1,541	1,541	1,332	1,332
Short Course Fees		1,464	1,464	1,533	1,533
Other Fees		3,789	3,789	1,604	1,604
		<b>155,050</b>	<b>155,050</b>	<b>138,053</b>	<b>138,053</b>
<b>2. Funding body grants</b>					
<b>Recurrent grant</b>					
Office for Students		21,893	21,893	20,905	20,905
Capital grant released in year		5,289	5,289	7,939	7,939
<b>Specific grants</b>					
West Focus		966	966	888	888
Other funding body grants		1,056	1,056	649	649
		<b>29,204</b>	<b>29,204</b>	<b>30,381</b>	<b>30,381</b>
<b>3. Research grants and contracts</b>					
Research councils		7,850	7,850	10,045	10,045
Research charities		1,017	1,017	1,654	1,654
Government (UK and overseas)		9,645	9,645	11,140	11,140
Industry and commerce		1,354	1,354	1,354	1,354
Other		1,050	1,050	1,918	1,918
		<b>20,916</b>	<b>20,916</b>	<b>26,111</b>	<b>26,111</b>
<b>3a. Grant and fee income</b>					
The source of grant and fee income included in notes 1 to 3 is as follows:					
Grant Income from the OFS		27,182	27,182	28,844	28,844
Grant income from other bodies		2,022	2,022	1,537	1,537
Fee income from research awards (exclusive of VAT)		20,915	20,915	26,111	26,111
Fee income from non-qualifying courses (exclusive of VAT)		6,794	6,794	4,469	4,469
Fee income for taught awards (exclusive of VAT)		148,256	148,256	133,584	133,584
		<b>205,169</b>	<b>205,169</b>	<b>194,545</b>	<b>194,545</b>
<b>4. Other income</b>					
Residences, catering and conferences		21,158	21,158	32,146	32,146
Other income		7,304	7,129	9,699	9,632
		<b>28,462</b>	<b>28,287</b>	<b>41,845</b>	<b>41,778</b>
<b>5. Investment income</b>					
Interest on term deposits		29	29	408	408
		<b>29</b>	<b>29</b>	<b>408</b>	<b>408</b>
<b>6. Donations and endowments</b>					
Unrestricted donations		120	120	137	137
Income on endowment	20	256	256	127	127
Income on restricted reserves	21	7	7	22	22
		<b>383</b>	<b>383</b>	<b>286</b>	<b>286</b>



## Notes to the Accounts for the year ended 31 July 2021

		Year ended 31 July 2021		Year ended 31 July 2020		
7.	Staff costs	Notes	Consolidated £'000	University £'000	Consolidated £'000	University £'000
	Staff Costs:					
	Salaries		104,671	104,637	102,310	102,276
	Social security costs		11,301	11,298	11,168	11,165
	Movement on USS provision		2,674	2,674	(22,110)	(22,110)
	Other pension costs		24,933	24,927	22,478	22,472
			143,579	143,536	113,846	113,803
	Total remuneration of the head of the institution				2021 £'000	2020 £'000
	Salary				315	315
	Benefits				0	1
	Pension contributions to USS				6	7
					321	323

The Vice-Chancellor's basic salary is 7.2 times (7.2 times July 20) the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid to staff. The Vice-Chancellor's total remuneration is 6.1 times (6.7 times July 20) the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration of its staff. The University has included the costs of employees who are required to be included in real-time reporting to HMRC and excluding those who are not.

The University considers the remuneration of the Vice Chancellor to be justified, taking account of the scale and nature of the institution, the challenges of the role, benchmarking information and performance over time. Further detail is in the Remunerations Committee Report section of these financial statements.

The number of staff with a basic salary of over £100,000 per annum has been included below. The table excludes employer's pension contributions and all performance related elements; there were no performance related benefits in 2021 (2020 ranged from nil to £30,000).

Basic salary per annum	No.	No.
£100,000 to £104,999	15	11
£105,000 to £109,999	9	7
£110,000 to £114,999	3	6
£115,000 to £119,999	3	0
£120,000 to £124,999	3	2
£125,000 to £129,999	2	2
£130,000 to £134,999	1	0
£135,000 to £139,999	0	0
£140,000 to £144,999	0	1
£145,000 to £149,999	2	0
£150,000 to £154,999	1	1
£155,000 to £159,999	4	3
£160,000 to £164,999	0	2
£165,000 to £169,999	1	1
£170,000 to £174,999	0	0
£175,000 to £179,999	1	1
£180,000 to £184,999	2	1
£185,000 to £189,999	0	0
£190,000 to £194,999	1	0
£195,000 to £200,000	1	1
£200,000 to £204,999	0	0
£205,000 to £209,999	0	0
£210,000 to £214,999	0	1
£310,000 to £314,999	0	0
£315,000 to £319,999	1	1
	<b>50</b>	<b>41</b>

Average full time employee (fte) staff numbers by major category:

	No.	No.
Academic	899	855
Administrative	394	403
Professional	518	503
Ancillary, Maintenance, Miscellaneous	121	122
Technical	80	80
Student Work Placements	28	39
Hourly Paid Lecturers and Others	57	57
	<b>2,097</b>	<b>2,059</b>

**Severance payments**

There was £677k combined compensation for loss of office paid to 43 staff members in 2020/21 (2019/20 £282k, 41 staff members).

All severance payments including compensation for loss of office in respect of higher paid staff are approved by the Remuneration Committee. Amounts for compensation for loss of office and redundancy for all other members of staff are approved by the university's management in accordance with delegated authority.

**Key management personnel**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs include compensation paid to key management personnel. Brunel considers the 16 (2019 - 15) members of the Executive Board to constitute the key management of the University. Compensation includes salary, benefits and employer's pension contribution.

	Year Ended July 2021 £'000	Year Ended July 2020 £'000
Key management personnel compensation	2,797	3,254

**Council members**

The University's Council members are the trustees for charitable law purposes. Due to the nature of the University's operations and the composition of the Council, being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Council may have an interest. All transactions involving organisations in which a member of Council may have an interest, including those identified below, are conducted at arm's length and in accordance with the University's Financial Regulations and usual procurement procedures.

The total expenses paid to or on behalf of 11 Council members was £2,750 (2020 - £3,677 to 11 Council members). This represents travel and subsistence expenses incurred in attending Council, Committee meetings and Charity events in their official capacity.

**Access and participation**

	Year Ended July 2021 £'000	Year Ended July 2020 £'000
Access Investment	789	813
Financial Support	2,087	1,922
Disability Support (excluding expenditure included in the two categories above)	945	1,082
Research and Evaluation	70	63
	<b>3,891</b>	<b>3,880</b>

The costs disclosed above include expenditure on staff costs of £1.5m (2020 £1.3m). These costs are included within the total staff costs disclosed in Note 7 above.

**Related parties**

During the year the University entered into transactions in the ordinary course of business with other related parties. The Vice Chancellor is a Director and Board Member of Imperial College Health Partners and the University received income of £53k from this organisation in relation to the recharge of an element of the Chief Innovation Officer's salary during 2020/21. The University also incurred expenditure of £50k with Imperial College Health Partners in the year in relation to membership contributions for the year 2020/21.

The University received income of £17k from Ceres Power Ltd in relation to analytical services provided by the Experimental Techniques Centre where one of the independent Council members is employed as Chief Operating Officer. Income was also received in year totalling £40k from the Commonwealth Scholarships Commission in relation to tuition fees for students where another independent council member is a Commissioner. The University also made payments totalling £28k in year to London Northwest Healthcare University Hospitals NHS Trust for Physiotherapy and Occupational Therapy student placements where a third independent council member is a non-executive director.

The University incurred expenditure of £3k with Universities UK during 2020/21 in relation to conference fees; the Vice Chancellor was President of Universities UK until 31<sup>st</sup> July 2021. The Provost of Brunel is a principal fellow at Advance HE, a charity working with institutions to improve higher education for staff, students and society across the world, and the University incurred costs of £47k with that institution during 2020/21 in relation to course and conference fees.

## Notes to the Accounts for the year ended 31 July 2021

	Notes	Year ended 31 July 2021		Year ended 31 July 2020	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>8. Interest and other finance costs</b>					
Loan Interest		3,946	3,946	4,044	4,044
USS Deficit Recovery program Interest	30	221	221	842	842
Net charge on pension scheme other	30	1,244	1,244	1,140	1,140
		<b>5,411</b>	<b>5,411</b>	<b>6,026</b>	<b>6,026</b>

		Year ended 31 July 2021		Year ended 31 July 2020	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>9. Analysis of total expenditure by activity</b>					
Academic Department		90,372	90,372	92,255	92,255
Academic Services		31,156	31,156	28,623	28,623
Research Grants and Contracts		26,313	26,313	28,974	28,974
Residences, catering and conferences & Science Park		19,418	19,352	21,263	21,076
Premises		31,268	31,268	28,330	28,330
Administration		48,211	48,211	32,652	32,652
USS Pension Recovery Program		2,908	2,908	(21,268)	(21,268)
Other Services		7,155	7,155	4,827	4,827
		<b>256,801</b>	<b>256,735</b>	<b>215,656</b>	<b>215,469</b>

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Other operating expenses include:				
External auditors' remuneration in respect of audit services excluding VAT	81	76	66	62
External auditors' remuneration in respect of non-audit services excluding VAT	13	13	7	7

## 10. Intangible assets

Software	2021		2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Opening Balance	94	94	118	118
Amortisation charge for the year	(24)	(24)	(24)	(24)
	<b>70</b>	<b>70</b>	<b>94</b>	<b>94</b>

## Notes to the Accounts for the year ended 31 July 2021

### 11. Fixed assets

#### Tangible assets comprise:

	2021 Consolidated £'000	2021 University £'000	2020 Consolidated £'000	2020 University £'000
Property, plant and equipment	401,041	401,041	411,013	411,013
	<b>401,041</b>	<b>401,041</b>	<b>411,013</b>	<b>411,013</b>

Consolidated	Freehold Land and Buildings £'000	Plant and Machinery £'000	Assets in the Course of Construction £'000	Total £'000
<b>Cost</b>				
At 1 August 2020	516,063	81,029	14,336	611,428
Additions	0	693	15,957	16,650
Transfers	3,712	6,346	(10,058)	0
Impairment	(3,138)	(1,517)	(6,932)	(11,587)
<b>At 31 July 2021</b>	<b>516,637</b>	<b>86,551</b>	<b>13,303</b>	<b>616,491</b>
<b>Depreciation</b>				
At 1 August 2020	136,435	63,980	0	200,415
Charge for the year	10,297	7,551	0	17,848
Impairment	(1,956)	(857)	0	(2,813)
<b>At 31 July 2021</b>	<b>144,776</b>	<b>70,674</b>	<b>0</b>	<b>215,450</b>
<b>Net book value At 31 July 2021</b>	<b>371,861</b>	<b>15,877</b>	<b>13,303</b>	<b>401,041</b>
At 31 July 2020	379,628	17,049	14,336	411,013
<b>University</b>				
<b>Cost</b>				
At 1 August 2020	516,063	81,029	14,336	611,428
Additions	0	693	15,957	16,650
Transfers	3,712	6,346	(10,058)	0
Impairment	(3,138)	(1,517)	(6,932)	(11,587)
<b>At 31 July 2021</b>	<b>516,637</b>	<b>86,551</b>	<b>13,303</b>	<b>616,491</b>
<b>Depreciation</b>				
At 1 August 2020	136,435	63,980	0	200,415
Charge for the year	10,297	7,551	0	17,848
Impairment	(1,956)	(857)	0	(2,813)
<b>At 31 July 2021</b>	<b>144,776</b>	<b>70,674</b>	<b>0</b>	<b>215,450</b>
<b>Net book value At 31 July 2021</b>	<b>371,861</b>	<b>15,877</b>	<b>13,303</b>	<b>401,041</b>
At 31 July 2020	379,628	17,049	14,336	411,013

At 31 July 2021 freehold land and buildings included £124.4m (2020 – £124.4m) in respect of freehold land which is not depreciated.

The land comprising Brunel University Estate was valued as at 31 July 2014 by an external valuer Gerald Eve LLP, a regulated firm of Chartered Surveyors. The valuation was prepared in accordance with the requirements of the RICS Valuation - Professional Standards, January 2014 amendment and the Financial Reporting Standard 102 and the 2014 Statement of Recommended Practice 'Accounting for Further and Higher Education'. The valuation was undertaken on a Fair Value basis. The valuation is reported under the special assumptions to exclude any value of development opportunities for which planning permission would be required and has not been granted or where development has not yet commenced and that one building currently subject to redevelopment has been completed.



## Notes to the Accounts for the year ended 31 July 2021

### 11 Fixed Assets Continued

An impairment review was undertaken at 31 July 2021 which identified costs reflected in fixed assets and assets under construction relating to long term projects which are currently on hold. £6.6m of the total £8.8m impairment in year related to a construction project and the associated demolition and site clearance costs.

#### Heritage assets

There have been no donations of heritage assets in the past 5 years. There was an acquisition for £16k of a bronze coated statue of a sheep in the image of Brunel in 2015-16 and a statue, also of Brunel, purchased for £133k but no other acquisitions in the past 5 years.

The table below shows the analysis of acquisitions.

	2021 £'000	2020 £'000	2019 £'000	2018 £'000	2017 £'000
Acquisitions purchased with University funds	0	0	0	0	133
Total cost of acquisitions purchased	0	0	0	0	133
Total acquisitions expensed	0	0	0	0	16

### 12 Non-Current Investments

	2021 Consolidated £'000	2021 University £'000	2020 Consolidated £'000	2020 University £'000
Other investments	33	33	33	33
	<b>33</b>	<b>33</b>	<b>33</b>	<b>33</b>
At 1 August 2020	33	33	33	33
<b>At 31 July 2021</b>	<b>33</b>	<b>33</b>	<b>33</b>	<b>33</b>

Non-current investments consist of:

CVCP Properties plc who own a property called Woburn House which is used by Higher Education Universities as a centre for administration and training

## Notes to the Accounts for the year ended 31 July 2021

	Notes	Year ended 31 July 2021		Year ended 31 July 2020	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
13 Stock					
General consumables		63	63	175	175
		<u>63</u>	<u>63</u>	<u>175</u>	<u>175</u>

	Notes	Year ended 31 July 2021		Year ended 31 July 2020	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
14 Trade and other receivables					
Amounts falling due within one year:					
Research grant receivables		6,730	6,730	11,156	11,156
Other trade receivables		9,915	9,913	10,965	10,962
Prepayments and accrued income		7,514	7,514	7,697	7,697
		<u>24,159</u>	<u>24,157</u>	<u>29,818</u>	<u>29,815</u>

	Notes	Year ended 31 July 2021		Year ended 31 July 2020	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
15 Current Investments					
Short term deposits		32,000	32,000	17,000	17,000
		<u>32,000</u>	<u>32,000</u>	<u>17,000</u>	<u>17,000</u>

Deposits are held with banks and building societies operating in the London market and licensed by the Financial Services Authority with more than three months maturity at the balance sheet date. The interest rates for these deposits are fixed for the duration of the deposit at time of placement.

At 31 July 2021 the weighted average interest rate of these fixed rate deposits was 0.14% (2020: 0.70%) per annum and the weighted average period for which the interest rate is fixed on these deposits was 183 (2020: 182) days. The fair value of these deposits was not materially different from the book value.

## Notes to the Accounts for the year ended 31 July 2021

### 16. Creditors: amounts falling due within one year

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Secured loans	1,801	1,801	1,718	1,718
Trade payables	15,337	15,340	10,449	10,451
Social security and other taxation payable	2,998	2,987	2,851	2,847
Accruals and deferred income	49,953	49,948	44,629	44,624
	<b>70,089</b>	<b>70,076</b>	<b>59,647</b>	<b>59,640</b>

#### Deferred income

Included with accruals and deferred income are the following items of income which have been deferred until specific performance related conditions have been met.

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Other Income	11,826	11,826	9,448	9,448
Research grants received on account	16,129	16,129	17,807	17,807
Capital Grants from HEFCE and other Government sources < 1 year	4,847	4,847	6,042	6,042
Income in Advance < 1 year	32,802	32,802	33,297	33,297
Capital Grants from HEFCE and other Government sources > 1 year	44,174	44,174	33,488	33,488
Total income in Advance	<b>76,976</b>	<b>76,976</b>	<b>66,785</b>	<b>66,785</b>

### 17. Cash-flow Hedge Reserve and fair value of hedged instrument liability

The University entered into three loans with Lloyds Bank at LIBOR plus 20 basis points of £50m, £25m and £25m between the dates of 31 October 2005 to 30 September 2007. The currency of all of these is sterling and the interest is paid in arrears on the last day of its interest period, which is semi-annual. The interest periods have start/end dates of 7 June and 7 December with a final end date on all 3 facilities being 7 December 2040 and with a final repayment due for the outstanding balance. Brunel has written confirmation that the loans can be renegotiated to extend to 7 December 2045 on the same payment profile as the SWAPs taken out at the same time.

The University set up three sterling SWAPs with Bank of America Merrill Lynch, being £50m at 4.588% on 31 October 2005, £25m at 4.5843% on 30 September 2006 and £25m at 4.5823% on 30 September 2007. Brunel pays interest on each SWAP in arrears on the last day of the interest period. Both the fixed and floating rate payment schedules have payment dates of 7 June and 7 December. All three SWAPs have an end date of 7 December 2045. The three SWAPs were novated to Lloyds in June 2019 on the same terms.

Fair value of the SWAP liability as at 31 July obtained from Bloomberg:

	2021 £'000	2020 £'000
Brought forward 1 August	53,905	46,790
Change in fair value of hedging instrument recognised in SOCI in year (100% effective)	(12,385)	7,115
Carried forward 31 July	<b>41,520</b>	<b>53,905</b>

The SWAPs were set up on the same dates as the loans with the same repayment profiles until 2040 and to run for the 5 additional years until 7 December 2045 that the loans will eventually be extended to. The SWAPs were designed as a hedging instrument that effectively eliminates the interest rate risk of the variability in cash flows on the floating rate loan attributable to changes in the 6 month GBP LIBOR by creating certainty of interest payment at the same 6 monthly interval.

The University considers the 3 SWAPs to be 100% effective hedges and apply the principles of hedge accounting of 12.23 FRS 102 to disclose a cash-flow hedge reserve for the same total as the fair value of the SWAP liability in the Consolidated Statement of Changes in Reserves.

## Notes to the Accounts for the year ended 31 July 2021

### 18. Creditors: amounts falling due after more than one year

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Deferred income	44,174	44,174	33,488	33,488
Derivatives	41,520	41,520	53,906	53,906
Secured loans	79,584	79,584	81,385	81,385
	<b>165,278</b>	<b>165,278</b>	<b>168,779</b>	<b>168,779</b>
Analysis of secured and unsecured loans:				
Due within one year or on demand (Note 17)	1,801	1,801	1,718	1,718
Due within one and two years	1,889	1,889	1,801	1,801
Due between two and five years	8,507	8,507	8,113	8,113
Due in five years or more	69,188	69,188	71,471	71,471
Due after more than one year	79,584	79,584	81,385	81,385
<b>Total secured and unsecured loans</b>	<b>81,385</b>	<b>81,385</b>	<b>83,103</b>	<b>83,103</b>
Secured loans repayable by 2040	81,385	81,385	83,103	83,103
	<b>81,385</b>	<b>81,385</b>	<b>83,103</b>	<b>83,103</b>

The secured loans are the following:

Lender	Amount £'000	Term	Interest Rate %	Borrower
Lloyds	40,424	2040	4.59	University
Lloyds	20,574	2040	4.58	University
Lloyds	20,387	2040	4.58	University
	<b>81,385</b>			



## Notes to the Accounts for the year ended 31 July 2021

### 19. Provisions for liabilities

Consolidated	Pension enhancement on termination £'000	Obligation to fund deficit on USS Pension £'000	LGPS Defined Benefit Obligations (Note 30) £'000	Total Pension Provisions £'000
At 1 August 2020	1,056	31,998	79,067	112,121
Utilised in year	(42)	(1,210)	0	(1,252)
Additions in year	0	0	9,230	9,230
USS Scheme Repayment Plan contribution change	0	4,118	0	4,118
<b>At 31 July 2021</b>	<b>1,014</b>	<b>34,906</b>	<b>88,297</b>	<b>124,217</b>

University	Pension enhancement on termination £'000	Obligation to fund deficit on USS Pension £'000	LGPS Defined Benefit Obligations (Note 30) £'000	Total Pension Provisions £'000
At 1 August 2020	1,056	31,998	79,067	112,121
Utilised in year	(42)	(1,210)	0	(1,252)
Additions in year	0	0	9,230	9,230
USS Scheme Repayment Plan contribution change	0	4,118	0	4,118
<b>At 31 July 2021</b>	<b>1,014</b>	<b>34,906</b>	<b>88,297</b>	<b>124,217</b>

#### Pension enhancement

The assumptions for calculating the provision for pension enhancements on termination under FRS 102 are as follows:

	Consolidated
Discount rate	1.65 %
Inflation	3.07 %

#### USS deficit

The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arises from the contractual obligation with the USS to deficit payments in accordance with the deficit recovery plan. In calculating this provision, management have estimated future staff levels within the USS scheme for the duration of the contractual obligation and salary inflation. Key assumptions are set out below and further information is provided in note 29.

Following completion of the 2018 actuarial valuation, a new deficit recovery program has been agreed of which mode detail is provided in note 30. The new plan requires deficit payments of 2% of salaries from October 2019 to 30 September 2021 and then payments of 6% of salaries from October 2021 to 31 March 2028.

The major assumptions used to calculate the provision are

	2021	2020
Discount rate	0.89%	0.73%
Salary growth	2.50%	2.80%

As set out in the accounting policies, there are some critical judgements made in estimating the obligation to fund the USS deficit. The sensitivity of the principal assumptions used to measure the USS deficit provision are set out below:

	Approximate Impact £'000
0.5% pa decrease in discount rate	706
0.5% pa increase in salary inflation over duration	690
0.5% pa increase in salary inflation for 1 year only	170
0.5% increase in staff changes over duration	1,383
0.5% increase in staff changes year 1 only	326
1.0% increase in deficit contributions	5,774

## Notes to the Accounts for the year ended 31 July 2021

### 20. Endowment Reserves

Restricted net assets relating to endowments are as follows:

	Restricted Permanent endowments £'000	Expendable endowments £'000	Total 2021 £'000	Total 2020 £'000
<b>Balances at 1 August 2020</b>				
Capital	445	948	1,393	1,389
Accumulated income	179	0	179	179
	<b>624</b>	<b>948</b>	<b>1,572</b>	<b>1,568</b>
New endowments	0	256	256	127
Expenditure	(1)	(92)	(93)	(123)
	<b>(1)</b>	<b>164</b>	<b>163</b>	<b>4</b>
<b>At 31 July 2021</b>	<b>623</b>	<b>1,112</b>	<b>1,735</b>	<b>1,572</b>
<b>Represented by:-</b>				
Capital	445	1,112	1,556	1,393
Accumulated income	178	0	178	179
	<b>623</b>	<b>1,112</b>	<b>1,735</b>	<b>1,572</b>
<b>At 31 July 2021</b>	<b>623</b>	<b>1,112</b>	<b>1,735</b>	<b>1,572</b>
<b>Analysis by type of purpose:</b>				
Lectureships	0	13	13	13
Scholarships and bursaries	469	454	923	937
Prize Funds	154	125	279	284
General	0	520	520	338
	<b>623</b>	<b>1,112</b>	<b>1,735</b>	<b>1,572</b>
<b>Analysis by asset:</b>				
Cash & cash equivalents			1,735	1,572
<b>Total Assets</b>			<b>1,735</b>	<b>1,572</b>

## Notes to the Accounts for the year ended 31 July 2021

### 21. Restricted Reserves

Reserves with restrictions (all donations) are as follows:-

	2021 Total £'000	2020 Total £'000
<b>Balances at 1 August 2020</b>	183	175
New donations	7	22
Expenditure	(5)	(18)
	2	8
<b>At 31 July 2021</b>	<b>185</b>	<b>183</b>

### Analysis of other restricted funds/donations by type of purpose:

	2021 Total £'000	2020 Total £'000
Scholarships and bursaries	21	21
Prize funds	16	16
General	148	146
	<b>185</b>	<b>183</b>

### 22. Cash and cash equivalents

	At 1 <sup>st</sup> August 2020 £'000	Cash Flows £'000	At 31 <sup>st</sup> July 2021 £'000
<b>Consolidated</b>			
Cash and cash equivalents	40,458	6,245	46,703
	<b>40,458</b>	<b>6,245</b>	<b>46,703</b>

### 23. Financial Instruments

	31 July 2021		31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>Financial assets</b>				
All financial instruments are debt instruments measured at amortised cost				
Cash and cash equivalents	46,703	46,690	40,458	40,448
Investments	32,000	32,000	17,000	17,000
Other Debtors	16,645	16,643	22,121	22,121
<b>Financial Liabilities</b>				
Financial instruments measured at fair value through other comprehensive Income				
Derivatives	41,520	41,520	53,905	53,905
Financial instruments measured at amortised cost				
Loans	81,385	81,385	83,103	83,103
Trade creditors	15,337	15,340	10,449	10,451

## Notes to the Accounts for the year ended 31 July 2021

The financial liabilities at fair value relate to where the University took out 3 SWAPs to mirror 3 loans which charged interest at LIBOR plus 22 basis points. The effect for the University was to translate variable interest rates into a fixed rate of 4.58% by a 100% effective hedging instrument. This eliminated the risk that future cashflows of interest payments would be at interest rates Brunel could not afford to fund because whatever the prevailing market rate, Brunel will always pay 4.58%. The University measures the current "out of the market" position by comparing the current market value of the SWAP to the discounted fixed interest repayments over the life of the SWAP using Bloomberg software. The "out of the market" position is reflected in the Balance Sheet as the fair value of the hedged instruments.

The loan and SWAP repayment schedule for each of the three deals had repayment dates and amounts which were identical until 2040. The University was unable at the inception of the loan to obtain a 40-year loan as intended because 35 years was the maximum offered at that time. As a result, the three loans all contain a balloon payment on 7 December 2040. The SWAPS were set at 40 years in anticipation that Lloyds would reconsider the final repayment date further into the loan repayment program. Brunel has received written confirmation from Lloyds Bank that they are willing to negotiate an extension prior to 7 December 2040 which Brunel would take to 2045 on the same repayment dates as the SWAP. Thus, Brunel considers the SWAPs to be a 100% effective hedged instrument and has applied hedge accounting treatments accordingly.

The full value of the loans and the out of market position of the SWAPs are secured against several specific halls of residence with a NBV of £45m. Additionally, £15m interest-bearing Investments are held by Lloyds Bank until June 2022. The funds are accessible prior to June 2022 by renegotiation of secured property held or basis points on the loan.

### 24. Capital and other commitments

Provision has not been made for the following capital commitments at 31 July 2021:

	31 July 2021		31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Capital commitments	14,335	14,335	5,133	5,133
	<b>14,335</b>	<b>14,335</b>	<b>5,133</b>	<b>5,133</b>

### 25. Contingent liabilities

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

### 26. Lease Obligations

Total rentals payable under operating leases:

	31 July 2021			31 July 2020
	Land and Buildings £'000	Other leases £'000	Total £'000	£'000
Future minimum lease payments due:				
Not later than 1 year	715	257	973	1,190
Later than 1 year and not later than 5 years	0	426	426	14
Later than 5 years	0	0	0	0
<b>Total lease payments due</b>	<b>715</b>	<b>684</b>	<b>1,399</b>	<b>1,204</b>

### 27. Post Balance Sheet Events

#### USS Pension

Since the year end, following completion of the 2020 actuarial valuation, a new dual rate schedule of contributions has been agreed with an effective date of 1 October 2021. Recalculating the USS provision on the basis of these contributions would result in an increased obligation to fund the deficit of £110m, an increase of £75m.

A further change to the deficit recovery contributions will become applicable under the 2020 valuation if the Joint Negotiating Committee recommended deed on benefit changes had not been executed by February 2022. In this scenario, higher deficit recovery contributions will commence from 1 October 2022 at 3% and then increase every 6 months until they reach 20% at 1 October 2025. They remain at this level until 31 July 2032. Negotiations are continuing and an increase to this level is considered remote.

If the schedule of contributions remains unchanged, the University's Financial Statements for the year ended 31 July 2022 will reflect these changes to the provision, subject to any other changes in the financial and operational assumptions.

#### LIBOR to SONIA Transition

The London Interbank Offer Rate (LIBOR) will cease to be in effect from 31st December 2021 and institutions will transition to using an alternative reference rate. The University's loans facilities and interest rate SWAP novation with Lloyds are affected by this as the current agreements reference LIBOR. The University is in the process of transitioning both the loan facilities and interest rate SWAP with Lloyds to SONIA and considers the new floating rate indicator SONIA to be broadly similar to LIBOR. As the loans are 100% hedged against the SWAP, there will be no change in the interest payments made as a result of this transition.

## Notes to the Accounts for the year ended 31 July 2021

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### 28. Subsidiary undertakings

The subsidiary companies (all of which are registered in England & Wales), wholly-owned or effectively controlled by the University, are as follows:-

Company	Principal Activity	Status
Brunel University Enterprises Limited	Running the Brunel University London Science Park and the vehicle for spinout companies.	100% owned
HecoAnalytics Limited	Dormant – never traded	100% owned
Testavec Limited	Dormant – never traded	100% owned
Syngenious Limited	Dormant – never traded	100% owned
Vulcanaer Limited	Bus emissions equipment research	100% owned



## Notes to the Accounts for the year ended 31 July 2021

### 29. Pension Schemes

The three principal pension schemes for the University's staff are:

- Universities Superannuation Scheme (USS)
- Teachers' Pension scheme (TPS) for academic staff
- London Pensions Fund Authority Scheme (LPFA) for other staff

All three schemes are defined-benefit schemes contracted out of the State Second Pension (S2P) the assets of which are held in separate trustee administered funds.

	Year Ended 31 July 21 £'000	Year Ended 31 July 20 £'000
Statement of comprehensive income – net pension cost for the University and its subsidiaries was:		
USS	15,226	14,574
TPS	226	251
LPFA	8,430	7,647
Other Pension scheme staff cost	31	6
Total pension staff cost as per note 7	23,913	22,478
Provision for the ex-WLIHE pension increase, non-staff cost	(42)	9
	<b>23,871</b>	<b>22,487</b>

Other Comprehensive Income – actuarial loss in respect of pension schemes for the University and its subsidiaries was:

LPFA	3,145	18,403
Ex-WLIHE	42	69
	<b>3,187</b>	<b>18,472</b>

Statement of financial position – pension liability for the University and its subsidiaries (note 19) was:

USS	34,906	31,998
LPFA	88,297	79,067
Ex-WLIHE	1,014	1,056
	<b>124,217</b>	<b>112,121</b>

Net interest Charge on Pension Scheme (note 8):

USS Deficit Recovery program interest on opening liability	221	842
LPFA Interest cost on scheme liabilities	2,906	3,237
LPFA Interest receivable on scheme assets	(1,674)	(2,097)
Ex-WLIHE interest	12	0
	<b>1,465</b>	<b>1,982</b>

#### (i) 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.

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 102, contributions to the scheme are accounted for as if it were a defined contribution scheme with the cost recognised in the Statement of Comprehensive Income and Expenditure account being equal to the contributions payable to the scheme.

As the scheme is backed by the taxpayer there is no deficit liable to the University and no deficit recovery program and consequent liability placed upon the University.

#### (ii) The Universities Superannuation Scheme

Brunel University London participates in the Universities Superannuation Scheme (USS - "The Scheme"). The Scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the Scheme are held in a separate trustee-administered fund.

Because of the mutual nature of the Scheme, the assets are not attributed to individual institutions and a Scheme-wide contribution rate is set. Brunel is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its shares of the underlying assets and liabilities of the Scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee Benefits", Brunel therefore accounts for the Scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to I&E represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the Scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

## Notes to the Accounts for the year ended 31 July 2021

### 30. Pension Schemes (USS continued)

The total cost charged to the consolidated statement of comprehensive income is £15.2m (2019–20 £14.6m).

Deficit recovery contributions due within 1 year for the university are £4.2m (2019–20 £1.4m).

The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at March 2018 ("the valuation date"), which was carried out using the projected unit method. The valuation as at 31 March 2020 is underway but not yet complete.

Since the University cannot identify its share of the Retirement Income Builder section of the Scheme assets and liabilities, the following disclosures reflect those relevant for the Scheme as a whole.

The 2018 valuation was the fifth 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 £63.7 billion and the value of the Scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion and a funding ratio of 95%.

The key financial assumptions used in the 2018 valuation are described below. More detail is set out in the statement of funding principles.

Pension increases (CPI)	Term dependent rates in line with the difference between the Fixed Interest and Interest Linked yield curves less 1.3% p.a.	
Discount rate (forward Rates)	Years 1-10:	CPI +0.14% reducing linearly to CPI -0.73%
	Years 11-20:	CPI +2.52% reducing linearly to CPI +1.55% by year 21
	Years 21+:	CPI +1.55%

A new deficit recovery program was put in place as part of the 2018 valuation, which requires payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 at which point the rates will increase to 6%, until 31 March 2028. The 2020 deficit recovery reflects this plan.

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2018 actuarial valuation. The mortality assumptions used in these figures are as follows: -

Mortality base table	2018 Valuation	
	Pre-retirement:	71% of AMCOO (duration 0) for males and 112% of AFCCO (duration 0) for females
	Post Retirement:	97.6% of SAPS S1NMA "light" for males and 102.7% of RFVVO for females
Future improvements to mortality	CMI_2017 with a smoothing parameter of 8.5 and a long-term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females	

The current life expectancies on retirement at age 65 are:

	2018 valuation	2017 valuation
Males currently aged 65 years	24.4	24.6
Females currently aged 65 years	25.9	26.1
Males currently aged 45 years	26.3	26.6
Females currently aged 45 years	27.7	27.9

Key assumptions used are:

	2021	2020
Discount rate	2.59%	2.44%
Pensionable salary growth	n/a	n/a
Pension increases (CPI)	4.20%	2.11%

## Notes to the Accounts for the year ended 31 July 2021

### (iii) 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 3 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 the long-term future service rate, adjusted for the funding level in respect of past service. For the year ended 31 March 2021, the employer's contribution rate was 17.0% (14.4% March 20). However, the University was required to pay a lump sum of £1.02m in April 2021 (and £0.98m in April 2020) in respect of past service benefits. The employee's rate from 1 April 2011 is based on a banded earnings schedule. The employer contributions were £4.07m (£3.70m in 2020) and the employee's contributions were £1.15m (£1.15m 2020).

The following information regarding the LPFA is based on the full actuarial valuation of the fund as at 31 March 2019, rolled forward to 31 March 2021 by Barnett Waddingham, an independent firm of actuaries. The major assumptions are:

	2021	2020	2019	2018	2017
Inflation (CPI)	2.60%	2.20%	2.40%	2.35%	2.60%
Rate of increase in salaries	3.60%	3.20%	3.90%	3.85%	4.10%
Rate of increase in pensions	2.70%	2.20%	2.10%	2.35%	2.60%
Discount rate	1.60%	1.60%	2.10%	2.65%	2.70%

There has been a change in the future improvements table from CMI2018 to CMI2020 to reflect the latest available industry data at the balance sheet date. Further, the mortality assumption at 31 July 2021 does not reflect the potential reduction in pension liability because of COVID-19, given there remains uncertainty of the pandemic effect on long term mortality rates and currently do not have evidence for making such an assessment on longer term expectations. Therefore, a rate of 0% rather than 25% is applied to the 2020 mortality experience.

The proposed assumptions for future mortality improvements can therefore be considered to lead to the best estimate of the future cashflows that will arise under the plan, consistent with the requirements of FRS102 28.16.

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	21.4	24.6
Retiring in 20 years	22.9	26.2

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, 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 following amounts at 31 July 2021 were measured in accordance with the requirements of FRS102

	2021 £'000	2020 £'000
Estimated Asset Share	119,130	103,975
Present value of scheme liabilities	(207,427)	(183,042)
Deficit in scheme	(88,297)	(79,067)

## Notes to the Accounts for the year ended 31 July 2021

### 30. Pension Schemes (LGPS continued)

	2021 £'000	2020 £'000
<b>Analysis of amount charged to the Statement of comprehensive income and expenditure</b>		
Current service cost (net of employee contributions)	(8,794)	(6,936)
Net interest on the defined liability	(1,232)	(1,140)
Actuarial gain/(loss) recognised in SOCI below the surplus for the year	(3,145)	(18,403)
Administration expenses	(135)	(129)
	<b>(13,306)</b>	<b>(26,608)</b>
Return on fund assets in excess of interest	12,353	3,204
Change in demographic assumptions	(476)	(1,051)
Experience gain on defined benefit obligation	3,367	(9,217)
Other actuarial gains/(losses) on assets	(1)	(1,371)
Change in financial assumptions	(18,388)	(9,968)
	<b>(3,145)</b>	<b>(18,403)</b>
<b>Movement in deficit in the year</b>		
Deficit in scheme at the beginning of the year	(79,067)	(56,151)
Current Service costs	(8,794)	(6,936)
Contributions	4,076	3,692
Net Interest cost	(1,232)	(1,140)
Administration charges	(135)	(129)
Settlements and curtailments	1	0
Actuarial gain/(loss)	(3,145)	(18,403)
	<b>(88,296)</b>	<b>(79,067)</b>
Fair value of scheme assets at the beginning of the year	103,975	99,506
Interest on Assets	1,674	2,097
Return on Assets less interest and other actuarial gains	12,353	3,204
Other actuarial gains/(losses)	0	(1,371)
Administration Expenses	(135)	(129)
Contributions by Employer	4,076	3,692
Contributions by scheme participants	1,146	1,151
Estimated benefits paid (net of transfers in and unfunded)	(3,959)	(4,175)
	<b>119,130</b>	<b>103,975</b>
Present value of scheme liabilities at the beginning of the year	(183,042)	(155,657)
Current Service Cost	(8,794)	(6,936)
Past Service Cost	0	0
Interest Cost	(2,906)	(3,237)
Change in Financial Assumptions	(18,388)	(9,968)
Change in demographic assumptions	(476)	(1,051)
Experience gain/(loss) on defined benefit obligation	3,367	(9,217)
Estimated benefits paid (net of transfers in and unfunded)	3,959	4,175
Unfunded pension payments	(1,147)	(1,151)
	<b>(207,427)</b>	<b>(183,042)</b>

## Notes to the Accounts for the year ended 31 July 2021

### 30. Pension Schemes (LGPS continued)

	2021 £'000	2021 %	2020 £'000	2020 %
<b>Estimated Scheme Assets breakdown</b>				
Equities	66,852	56	56,146	54
Target return portfolio	25,732	22	20,795	20
Infrastructure	10,442	9	7,278	7
Property	9,938	8	9,358	9
Cash	6,166	5	10,398	10
<b>Total</b>	<b>119,130</b>	<b>100</b>	<b>103,975</b>	<b>100</b>

History of experience gains and losses cumulative

	2021 £'000	2020 £'000
Interest on Assets	1,674	2,097
Total scheme assets	119,130	103,975
% of scheme assets	1.4%	2.0%
Experience (gains)/losses on scheme liabilities	3,367	(9,217)
Present value of liabilities	(207,427)	(183,042)
% of present value of liabilities	(1.6%)	5.0%
Actuarial gain/(losses) recognised in SOCI below the surplus	(3,145)	(18,403)
Present value of liabilities	(207,427)	(183,042)
% of present value of liabilities	1.5%	10.0%

### Impact of the McCloud/Sargeant judgement on the reported LPFA pension liability

On 27 June 2019 the Supreme Court denied the Government's request for an appeal of the Court of Appeal's judgement in McCloud/Sergeant case that transitional provisions introduced to the reformed judges and firefighters pension schemes in 2015 gave rise to unlawful age discrimination. The ruling relates to the transitional protection offered to some members – broadly those within 10 years of retirement age for the LGPS when the reformed schemes were introduced. The court had found that those too far away from retirement age to qualify for these transitional protections had been unfairly discriminated against. As transitional protection was offered to members of all the public service pension schemes, the government believes that the difference in treatment will need to be remedied across all of those schemes. This includes the LGPS scheme.

Allowance was made in the Financial Statements of 2018-19 for the estimated impact on the total liabilities as a result of this case. The adjustment was based on analysis carried out by the Government Actuary's department (GAD) and the employer's liability profile and allowances continue to be reflected thereafter in the financial statements.

### 31. US Department of Education Financial Responsibility Supplemental Schedule

In satisfaction of its obligations to facilitate students' access to US federal financial aid, Brunel University London is required, by the US Department of Education, to present the following Supplemental Schedule in a prescribed format.

The accounts presented within the schedules have been:

- Prepared under the historical cost convention;
- Prepared using United Kingdom generally accepted accounting practice, in accordance with Financial Reporting Standard 102 (FRS102) and with the Statement of Recommended Practice: Accounting for Further and Higher Education (2019 edition);
- Presented in pounds sterling rounded to the nearest £1,000.

The schedules set out how each amount disclosed has been extracted from the financial statements. As set out above, the accounting policies used in determining the amounts disclosed are not intended and do not comply with the requirements of accounting principles generally accepted in the United States of America.



Primary Reserve Ratio

			Year Ended 31 July 2021 £000s		Year Ended 31 July 2020 £000s	
			Positive	Negative	Positive	Negative
Balance Sheet	Statement of Financial Position – Net Assets without Donor Restrictions	Net Assets without Donor Restrictions	142,565		156,289	
Balance Sheet	Statement of Financial Position – Net Assets with Donor Restrictions	Net Assets with Donor Restrictions	1,920		1,755	
	Statement of Financial Position – Related party receivable and Related party note disclosure	Secured and Unsecured related party receivable				
	Statement of Financial Position – Related party receivable and Related party note disclosure	Unsecured related party receivable				
	Statement of Financial Position – Property, Plant and Equipment, net	Property, plant and equipment, net (includes construction in progress)				
Notes 10 and 11	Note of the Financial Statements – Statement of Financial Position – Property, Plant and Equipment – pre-implementation	Property, plant and equipment – pre-implementation		376,579		403,225
	Note of the Financial Statements – Statement of Financial Position – Property, Plant and Equipment – post-implementation with outstanding debt for original purchase	Property, plant and equipment – post-implementation with outstanding debt for original purchase				
	Note of the Financial Statements – Statement of Financial Position – Property, Plant and Equipment – post-implementation without outstanding debt for original purchase	Property, plant and equipment – post-implementation without outstanding debt for original purchase		11,469		718
	Note of the Financial Statements – Statement of Financial Position – Construction in process	Construction in process		13,063		7,164
	Statement of Financial Position – lease right-of-use assets, net	Lease right-of-use asset, net				
	Note of Financial Statements – Statement of Financial Position – Lease-right-of-use asset pre-implementation	Lease right-of-use asset pre-implementation				
	Note of Financial Statements – Statement of Financial Position – Lease right-of-use asset post-implementation	Lease right-of-use asset post-implementation				
	Statement of Financial Position – Goodwill	Intangible assets				
Note 19	Statement of Financial Position – Post-employment and pension liabilities	Post-employment and pension liabilities	124,217		112,121	
	Statement of Financial Position – Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt – for long term purposes				
Note 18	Statement of Financial Position – Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt for long term purposes pre-implementation	81,385		83,103	
	Statement of Financial Position – Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt for long term purposes post-implementation				
	Statement of Financial Position – Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Line of Credit for Construction in process				
	Statement of Financial Position – Lease right-of-use of asset liability	Lease right-of-use asset liability				
	Statement of Financial Position – Lease right-of-use of asset liability pre-implementation	Pre-implementation right-of-use leases				
	Statement of Financial Position – Lease right-of-use of asset liability pre-implementation	Post-implementation right-of-use leases				
	Statement of Financial Position – Annuities	Annuities with donor restrictions				
	Statement of Financial Position – Term Endowments	Term endowments with donor restrictions				
	Statement of Financial Position – Life Income Funds	Life income funds with donor restrictions				
Note 20	Statement of Financial Position – Perpetual funds	Net assets with donor restrictions: restricted in perpetuity		445		445
		<b>Total Expenses and Losses</b>				
See Note 31 (a) below	Statement of Activities – Total Operating expenses (Total from Statement of Activities prior to adjustments)	Total expenses without donor restrictions – taken directly from Statement of Activities		254,071		236,921
Note 17	Statement of Activities Non-Operating (Investment return appropriated for spending). Investments, net of annual spending gain (loss). Other components of net periodic pension costs, Pension-related changes other than net periodic pension, Change in value of split-interest agreements and Other gains (loss). (Total from Statement of Activities prior to adjustments).	Non-Operating and Net Investment (loss)	12,385			7,115
	Statement of Activities – (Investment return appropriated for spending) and Investments, net of annual spending gain (loss)					
	Statement of Activities – Pension – related changes other than periodic pension	Pension related changes other than net periodic costs				

Equity Ratio

			Year Ended 31 July 2021 £000s		Year Ended 31 July 2020 £000s	
			Positive	Negative	Positive	Negative
		<b>Modified Net Assets</b>				
Balance Sheet	Statement of Financial Position – Net Assets without Donor Restrictions	Net assets without donor restrictions	142,565		156,289	
Balance Sheet	Statement of Financial Position – Total Net Assets with Donor Restrictions	Net assets with donor restrictions	1,920		1,755	
	Statement of Financial Position – Goodwill	Intangible Assets				
	Statement of Financial Position – Related party receivable and related party note disclosure	Secured and Unsecured related party receivable				
	Statement of Financial Position – Related party receivable and related party note disclosure	Unsecured related party receivables				
		<b>Modified Assets</b>				
Balance Sheet	Statement of Financial Position – Total Assets	Total assets	504,069		498,591	
	Note of Financial Statements – Statement of Financial Position – Lease right-of-use asset pre-implementation	Lease right-of-use asset pre-implementation				
	Statement of Financial Position – Lease right-of-use asset liability pre-implementation	Pre-implementation right-of-use leases				
	Statement of Financial Position – Goodwill	Intangible assets				
	Statement of Financial Position – Related party receivable and related party note disclosure	Secured and Unsecured related party receivable				
	Statement of Financial Position – Related party receivable and related party note disclosure	Unsecured related party receivables				

Net Income Ratio

			Year Ended 31 July 2021 £000s		Year Ended 31 July 2020 £000s	
			Positive	Negative	Positive	Negative
SOCI	Statement of Activities – Change in Net Assets Without Donor Restrictions	Change in net assets without donor restrictions		13,724		4,156
SOCI	Statement of Activities – (Net assets released from restriction), Total Operating Revenue and Other Additions and Sale of Fixed Assets, gains (losses)	Total Revenues and Gains	234,044		237,084	

## 31(a). Analysis of total expenditure to show Total Expenses without Donor Restrictions for US GAAP purposes

	2021 Consolidated £'000	2021 University £'000	2020 Consolidated £'000	2020 University £'000
Total Operational Expenditure non-USS pension related	254,071	254,005	236,936	236,749
USS Deficit Recovery expenditure	2,895	2,895	(21,268)	(21,268)
Donor restriction related	(165)	(165)	(12)	(12)
Total Expenditure per Note 9	<b>256,801</b>	<b>256,735</b>	<b>215,656</b>	<b>215,469</b>

# Membership of Council, Committees and Professional advisers

## Membership of Council during the 2020/21 Year

Names	Status of Appointment	Date Appointed	Date Resigned/ Completed Term of Office
Mr M Ahmed	Independent Member		
Dr V Bhalla	Independent Member		
Prof J Buckingham	Vice-Chancellor & President		
Mr M Garrett	Independent Member		
Ms H Ghantiwala	Independent Member		
Ms L Hunt	Deputy Chair of Council		
Prof R Lingwood	Provost		
Mr A Murphy	Chief Financial Officer		
Ms A Paruchuri	Student Member		19.06.21
Mr K Singh	Student Member	19.06.21	
Prof M Rand-Weaver	Vice-Provost, Education		
Ms T Rosingholm	Independent Member		
Ms A Rowlatt	Independent Member		
Ms Josie Mangan	Elected Staff		
Prof M Spyer	Chair of Council		
Mr P Teague	Independent Member		14.10.20
Dr K Thomas	Independent Member		
Dr P D Thomas	Elected Academic		
Ms A Waltham	Independent Member		
Prof J Wood	Independent Member		
Prof P Hellewell	Vice Provost and Dean of College		

## Membership of Committees during the 2020/21 Year

<b>Finance Committee</b> <b>Chairman</b> Mr P Teague Dr K Thomas (from 26.10.20) <b>Members</b> Mr M Ahmed Dr V Bhalla Prof J Buckingham Ms L Hunt Prof R Lingwood Mr A Murphy Mr K Singh (from 19.06.21) Ms A Paruchuri [until 19.06.21] Ms T Rosingholm Prof M Spyer	<b>Audit Committee</b> <b>Chairman</b> Ms A Rowlatt <b>Members</b> Mr T Belisario (until 10.11.20) Mr M Garrett Ms H Ghantiwala Mr D Haigh (external member) Prof J Wood <b>In Attendance</b> Prof J Buckingham Prof R Lingwood Mr A Murphy	<b>Remuneration Committee</b> <b>Chairman</b> Mr P Teague Mr M Ahmed (from 26.11.20) <b>Members</b> Ms L Hunt Prof M Spyer Dr K Thomas In Attendance Prof J Buckingham Prof R Lingwood Ms G Bailey
<b>Nominations Committee</b> <b>Chairman</b> Ms L Hunt <b>Members</b> Dr V Bhalla Prof J Buckingham Prof R Lingwood Ms A Paruchuri Prof M Spyer Prof J Wood (from 25.02.21) Mr P Teague (until 14.10.20) Dr K Thomas	<b>Health and Safety Committee</b> <b>Chairman</b> Mr A Murphy (until 02.12.21) Mr E Glover (from 02.12.21) <b>Members</b> Mr T Belisario Mr I Goodliffe Ms A Paruchuri (until 19.06.21) Mr K Singh (from 19.06.21) Dr A Oluwatudimu Dr A Zeka Dr I Stone Mr A Proudfoot Mr C Lithgow Mr G Jones Mr J Parfree Mr J Tanner (from 10.02.21) Mr M Smith Mr M Keighley Mr N Turner Mr P Szadorski Mr P Worthington Mr P Bent Mr S Le Geyt Mr T Vass Ms A Oliver Ms J Mangan	<b>Honorary Degrees Committee</b> <b>Chairman</b> Prof J Buckingham <b>Members</b> Dr V Bhalla Prof R Lingwood Ms A Paruchuri [until 19.06.21] Mr K Singh (from 19.06.21) Ms T Rosingholm (until 31.03.21) Prof M Spyer Prof J Wood Prof G Rodgers Prof H Zhao Prof M Rand Weaver Prof P Hellewell Prof T Betteridge Prof T Hoey
<b>Ethics Advisory Committee</b> <b>Chairman</b> Prof J Wood <b>Members</b> Ms H Ghantiwala Ms A Paruchuri (until 09.06.21) Mr K Singh (from 19.06.21) Ms A Waltham		

## Professional Advisers during the 2020/21 Year

<b>Banker</b> HSBC Bank plc, Uxbridge	<b>Legal advisers</b> Mills & Reeve LLP Veale Wasbrough Vizards LLP DLA Piper UK LLP Brown Jacobson LLP	<b>External auditor</b> KPMG LLP, London
<b>Indirect tax adviser</b> Ellis Chapman & Associates, Knutsford, Cheshire PwC LLP, London	<b>Internal Auditor</b> BDO LLP, London	











## Financial Statements 2020/21

Brunel University London, Kingston Lane, Uxbridge, UB8 3PH