



Brunel
University
London

Financial Statements
2016/17

Financial Statements for the year ended 31st July 2017

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Brunel University London 2030

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 and society, echoing the spirit and vision of our namesake Isambard Kingdom Brunel, we did so with flair and rigour. 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.

Prior to the conclusion of the University's 2012-2017 Strategic Plan, the University's Council agreed that rather than developing a new 5-year strategic plan, the University would develop a 15-20 year Strategic Vision which will be underpinned by 3-year rolling plans. This new approach will enable the University to be agile and responsive to the changing external environment and manage its approach effectively to achieving its key strategic goals.

The Vision articulates our commitment to build upon the University's distinct purpose to bring benefit to society through excellence in education, research and knowledge transfer which is enshrined in our Royal Charter. It also describes our key strategic goals and values and thereby positions the University to deliver our vision of:

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

Competitive and Regulatory Environment

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

Brunel University London is an exempt charity within the meaning of Schedule 3 of the Charities Act 2011 and the Higher Education Funding Council for England (HEFCE) is the principal regulator of the University as a charitable institution. The University receives funding grants from HEFCE for teaching and research. The terms and conditions for the payment of grants to the university by HEFCE are governed by the HEFCE Memorandum of Assurance and Accountability, as updated in July 2017. This sets out the formal relationship between HEFCE and the higher education institutions (HEIs) that it funds, their governing bodies and accountable officers. It reflects HEFCE's responsibility to provide annual assurances to Parliament that: i) funds provided are being used for the purposes for which they were given; ii) risk management, control and governance in the HE sector are effective; and iii) value for money is being achieved. HEFCE also monitors the financial and managerial health of universities.

The University is required to submit a series of financial, data and accountability returns as part of the regulation process. HEFCE is also responsible for making sure that the quality of learning, teaching and research is assessed, enabling it to fund selectively by supporting excellence and take account of the collective interest of students in how it operates. The University met with HEFCE's Assurance Team in 2015, as part of a formal Assurance Review of the University's systems of internal control, corporate governance and risk management and the University received a positive report, with the overall conclusion that HEFCE is able to place reliance on the accountability information that the University provides.

The University has a broad mix of students, with regulated limits to fees for UK and European Union undergraduate (HEU) students. There is flexibility to set fee levels for postgraduate and international students. All Higher Education Institutions (HEIs) which charge fees for HEU undergraduate students of above £6,000 a year up to the limit of £9,000 (for 2016/17 and increasing to £9,250 in 2017/18) are required to submit an Access agreement to The Office for Fair Access (OFFA). The University is committed to ensuring that all those with the potential to benefit from studying here have the opportunity to do so, whatever their background. We aim to continue the activities that have proved successful in widening access and delivering positive outcomes for students from under-represented backgrounds at the University.

Research funding for the sector and the University derives from Government sources, UK Research Councils, UK charities, the European Union (EU) and also directly from industry and commerce. Following the invoking of Article 50, we will see (although not immediately), a reduction in funding from EU sources and it will be our challenge to ensure that where possible we attract more funding from UK Government, UK research councils, international and industrial sources. More detail on the University's focus on research grant funding is set out in the Research section of this report.

The Quality Assurance Agency for Higher Education (QAA) is the independent body entrusted with monitoring and advising on standards and quality in UK higher education. The QAA Institutional Review took place in March 2016 with the final report confirming that the University met UK expectations. The Report noted in particular good practice features relating to the impact of the Recognised Programme Developers in supporting new programme development and achieving consistency of approach, the wide range of opportunities and support for student transitions into study and progression into the work environment, and the extensive range of support and training provided for staff and students by the Brunel Educational Excellence Centre, which enhances learning opportunities. The full report was published on the QAA website and implementation of the recommendations took place in 2016/17.

Strategy Development and Implementation

The Strategic Vision document provides an overarching vision for the longer term development of the University and identifies the key strategic goals. Development of the new strategy took place during 2016 and involved extensive consultation with staff, students and external stakeholders, with the final version approved by Council in November 2016. The development of the associated 3-year plan began in early 2017, and will be implemented from 2017/18.

The Strategic Vision identifies five distinct areas of focus – each of which underpins our vision for 2030. It recognises the values upon which Brunel's success is founded. And, though our strategy as educators and innovators will change in the intervening years, these goals, values and vision will remain at the heart of everything we do and the driving force behind our future achievements, ensuring Brunel continues to meet the needs of a changing world until 2030 and beyond. The five areas of focus are listed below, and details of specific initiatives focusing on those areas, both planned and already being undertaken are detailed within this Strategic Report.

Education and Student Experience

A new Education Strategy (2017-2020) has been developed for the University which aligns to Brunel 2030. It is the result of a collaborative, consultation process, which included staff and student hackathons to brainstorm and develop the future educational directions and priorities. An accompanying communication plan has also been developed to ensure that communication and outreach activities are robust to educate and engage key stakeholders, this will be initiated in academic year 2017/18. In addition to this, a Key Performance Indicator Evaluation Plan is currently being developed which will monitor the strategy through a combination of appropriate measures of success.

A key goal in the Strategy is to improve student engagement and adopt approaches to teaching and learning that embed deep learning and critical thinking. Building on recent research and our own pilot studies, we aim to introduce a more interactive approach in the classroom which encourages students to think, discuss and challenge, rather than absorb information passively. We will thus reduce the amount of teaching delivered through face-to-face didactic, lecture-based approaches and enhance the opportunities for

interactive learning through the introduction of e.g. team-based learning, flipped teaching, peer to peer learning and project based approaches. To facilitate this change we will provide training and support to staff and adapt existing space to enable substantive progress before the opening of the Learning and Teaching Centre (see Capital Expenditure section of this Report) in 2020. We will monitor the impact of the changes rigorously through student feedback (YourView), staff feedback and assessment and examination outcomes.

We are developing distance-learning programmes, starting in 2017/18 with the introduction of MSc's in (a) Public Health and (b) Project and Infrastructure Management. We will extend our reach into new markets (e.g. Africa, South America) while at the same time developing our skill base in digital learning to enhance the learning opportunities for all our students. Transnational education (TNE) is also a focus and building on work carried out in 2017-18, we will work with strategic partners to deliver Brunel degrees overseas. Two new programmes will be introduced in 2018-19: (a) BEng, Electronic and Communications Engineering, delivered at the Chongqing University of Posts and Telecommunications, Chongqing, China and (b) MSc, Musculoskeletal Therapy delivered at Ahlia University, Bahrain.

All three Colleges are planning to introduce degree apprenticeships within the next two years, working initially with employers with which we already have a strong strategic partnership (e.g. NHS, TWI and the Environment Agency). Subsequently we will extend our reach and aim, particularly, to support training for companies in West London and the adjacent Home Counties. We aim to position ourselves to respond to changes in employment and skills needs of employers.

The University's submission in respect of the Teaching Excellence Framework (TEF) Year 2 was made in January 2017, resulting in a TEF Silver award. The assessment Panel reported that it considered all the information in the University's submission in relation to the TEF criteria and its judgement reflects in particular, evidence of:

- A strategically targeted and consistent approach to increasing employability
- An analytical approach to addressing attainment gaps within the institution's diverse student body
- Innovative assessment practices which help students to make the transition to study
- An assessment strategy which consistently stretches and challenges students
- High levels of employer engagement and opportunities for work experience.

The award is valid for a three year period from July 2017. We will engage proactively with the sector in the development of the TEF over the next three years, placing emphasis on the development of robust measures of teaching excellence, and work pro-actively with Departments to prepare for the prospective subject-level TEF with the view to attaining 'gold' status in 2019/20.

Following relatively disappointing National Student Survey (NSS) results, a TeachBrunel Taskforce was launched in August 2015 in partnership with the Union of Brunel Students to drive improvements in the quality of teaching; the timeliness and quality of feedback and the academic support provided to students; and to enhance the overall student experience. TeachBrunel has already had impact and will build upon its achievements over the next three years, listening to the student voice. Key activities include:

- Reviewing and acting on student feedback: Our on-line feedback system, YourView, provides termly feedback at module level on all our taught degree programmes. We will continue to ensure that this feedback is discussed at departmental level with staff and students and that appropriate actions are taken to build on good practice and deal with issues that arise, providing appropriate support to help teachers address concerns at a module or individual level, providing coaching as needed.
- Improving digital resources: As part of a broader programme of digital support for students, TeachBrunel will focus on improving lecture capture on-line, encouraging staff to pre-record their lectures and upload them onto Blackboard before the lecture; improving the availability of on-line learning resources; driving the agenda for on-line submission, marking and return of feedback strongly advocated by the students.
- Enhancing the effectiveness of Tutoring@brunel: Tutoring@brunel, rolled out across the University, is designed to enhance the individual support provided to undergraduate students, through a personal tutor scheme. In the coming 3 years we aim to enhance the scheme by improving the support and training given

to staff, particularly with regard to recognising potential mental health and wellbeing issues and keeping oversight of student engagement and progression with the support of the new dashboard.

- **Developing good practice in teaching, learning and student support:** Led by the Brunel Educational Excellence Centre (BEEC), we will continue to encourage staff and students to develop and trial new approaches through the award of small grants from the TeachBrunel Fund. In the coming year our focus will be on evaluating the potential impact of projects undertaken in the past two years and on rolling out and embedding new practices as appropriate. This work will also enable us to measure the overall impact of the scheme and to determine how best to direct funds in the future.
- **Improving student facilities:** We will seek to make affordable improvements in student facilities where possible, for example through improvements in student services, upgrading the Bannerman Centre to improve and expand private study place, developing the lap-top loan scheme and improving social space.

The University has a strong track record in attracting students from underprivileged backgrounds and minority groups. However, as seen across the sector, we have identified an attainment gap between some groups of students and their more privileged peers, as indexed by progression, degree classification and employment outcomes. In 2015/16 we commenced a programme of activity, overseen by Senate, to identify and address factors limiting student success. In addition, in 2016/17 we established a group to develop our Office for Fair Access (OFFA) strategy and co-ordinate and monitor OFFA-related activity across the University and other activities designed to enhance social mobility. The University's OFFA strategy and plan has been approved by OFFA and will be implemented in the coming 3 years. The plan details outreach activity and funding earmarked for bursaries; importantly it includes an expanded programme of activities to support student success at University and successful transition into graduate employment, thus supporting a body of work already in train to enhance social mobility.

We will continue to work closely with local schools and colleges to sustain our successful outreach programme and encourage school children to engage in activities on campus through e.g. the Urban Scholars and Headstart Programmes, the Royal Institution Masterclasses and activities run by Brunel Sports and Brunel Arts. A key development in 2017/18 will be the opening of the Science, Technology, Education and Maths (STEM) Centre which will create new opportunities for young people locally aged 8-18 to experience practical STEM activities with the view to encouraging greater numbers to consider STEM-based careers and, particularly, to attract more women into Engineering. The Centre will also provide a focus for providing educational support to the local community to support health and wellbeing. The Centre will be supported by a core budget. We will work with employers, our NHS partners and educational trusts to attract additional funding and support-in-kind to the Centre so as to expand our provision.

The Student Success Project aims to reduce apparent inequalities in student outcome at all stages of the student journey by making sure there are no unintended barriers to success. An action plan approved by Senate details a range of activities which will be undertaken by staff and students working in partnership to address these issues. These focus on, but are not limited to, awareness, curriculum content and inclusivity, assessment, support and building confidence. An inclusive approach is being taken to ensure that activities are likely to benefit all students, but disproportionately so for those who need it most.

Supported by a HEFCE Catalyst Grant, the University has successfully piloted on-line examinations in two Departments over the past two years. This approach has received positive feedback from both staff and students and is sector-leading in the UK. We will commence roll-out of a dedicated digital assessment platform for the management of assessment processes for coursework and examinations from September 2017, starting with the College of Engineering, Design and Physical Sciences (CEDPS). A managed, staged approach over 3-4 years will ensure that the infrastructure and support requirements are met. Benefits will accrue to students, academic and professional staff and improve effectiveness of the assessment processes as well as the student experience. Our goal is that the digital platform will support 100% submission, marking and feedback of coursework and 50% of examinations by 2020.

In the 2016/17 National Student Survey (NSS), the University's score for overall satisfaction increased by 1% (from 83% last year to 84% this year) and was just below sector average, which fell by 2%. The University's overall position based on the overall student experience improved from 111/153 to 78/148 of the selected HEIs. It was a difficult year for the NSS, with around 30 institutions, Brunel included, affected by an NUS

boycott as a result of concerns about the survey's role in setting tuition fees. Our response rate dropped by more than 16% from last year, and it is impossible to know how this impacted on the results. It should be noted that this year's NSS was very different from last year's, with more than two-thirds of the questions changed and new themes added. The University has seen some very strong results in overall satisfaction in some subject areas, including coming joint first in Anthropology (out of 32 competitors), 6th out of 47 for Imaginative Writing and 11th out of 94 for English.

The Student Services Directorate has been restructured in 2016/17 to establish a new Student Services team and service structure which will offer a more integrated holistic service to students. The new structure, introduced in September 2017, will align teams; improve synergies and efficiencies; and bring together the front-facing services both physically through relocation of the Student Centre and also virtually by investment in a new Student Services System, thus providing a single gateway service to students. These changes will enable Student and Academic Services to be more streamlined, aligning colleagues and workflows and ensuring a focussed customer facing approach for students and academic staff.

Looking ahead, we will develop and enhance our rigorous approach to academic governance, and quality assurance to enhance the student experience and meet the needs of the new regulatory framework. The University's performance in the HEFCE Annual Provider Review (APR), the TEF and our internal five-yearly Periodic Programme Review quality assurance process are monitored and reviewed by the University's Senate with a clear focus on evaluation and impact. Senate will also use the externally benchmarked metrics applied in APR and TEF as a basis for continuous monitoring of our own performance in NSS, DLHE and non-continuation compared to the benchmark, and flag issues that might put our institutional APR outcome at risk. The University's expectation of rigorous evaluation of enhancement activities will facilitate resource allocation and increased institutional reputation as we share 'what works' with confidence.

Research

The University continues to strengthen the work of the Research Institutes and the College Research Centres to provide a more integrated and cohesive research culture. Our focus on large multi-disciplinary grants will focus activity in areas in which we are internationally competitive and continue as will efforts to form partnership with business, government and other third sector institutions for Doctoral Training Centres (DTC) funding. The research strategy is underpinned by an academic recruitment strategy that ensures that all new academic staff are recruited into research areas where the University is competitive, has critical mass, and where there is external funding available.

Our future goals for research include those relating to enhancing scientific knowledge through research applied to societal challenges, building capacity, and enhancing visibility and understanding of the University's research. In addition to our internally focused goals, in order to meet the required research funding growth targets, more targeted strategic collaborations need to be developed. We need to increase our efforts to collaborate with companies, government agencies and third sector partners, and with researchers at other institutions.

The University has a strong record of engagement with industry and currently has the 13th largest portfolio of funding from Innovate UK. The University continues to support the Brunel Centre for Advanced Solidification Technology (BCAST), through the pursuit of industrial and public funding investment. The UK metal casting industry adds £2.6 billion per year to the UK economy, employs 30,000 people, produces 1.14 million tons of metal castings per year and underpins the competitive position of every sector of UK manufacturing. Since its launch in 2002 BCAST has secured £108 million of funding and resources from Government funding agencies - HEFCE, via the UK Research Partnership Investment Fund (RPIF), and the Engineering and Physical Sciences Research Council (EPSRC), for example, through the Great Technologies capital programme, and also from industry. We will continue to engage and develop our relationships with key strategic industrial partners to support grant applications including Innovate UK, EPSRC and HEFCE UKRPIF and broaden the number of industries involved in BCAST.

We continue to develop a vibrant research environment on campus and we will continue to focus efforts to:

- Increase support for early career researchers through 1:1 mentoring and through working with colleagues in the Graduate School, Professional Development Centre (PDC), Research Support and Development Office (RSDO) and BEEC to enhance the research career development programme and deliver good career advice;
- Increase our involvement in Doctoral Training Centres (DTCs) and Doctoral Training Partnerships (DTPs), complementing our strategic research areas;
- Increase the number of recipients of research grants;
- Increase graduate and undergraduate participation in Institute research;
- Provide opportunities for students to conduct Masters- and PhD-level research projects;
- Increase student employment opportunities (including internships and assistantships) that provide research experiences on campus;
- Encourage research students to gain experience of other working environments through short internships and where possible with international partners;

In preparation for the next Research Excellence Framework (REF) exercise, REF2021, an extensive Mock REF exercise was carried out in 2016/17 analysing over 1,000 outputs. Localised plans will be developed to improve the quality of outputs and will be cascaded to Colleges, Departments and Institutes. In the next phase of the mock REF exercise draft environment statements will be produced along with at least 1 impact case study per unit of assessment. The Impact tracker system has been introduced and nearly 300 impact case studies have been identified and are being assessed and catalogued. The systems to collect and evaluate the impact will be scaled up over the period. An updated and detailed REF plan will be produced later in 2017 when the next phase of HEFCE REF Guidance is released.

Our University Community

The health and wellbeing of our staff and students is of paramount importance to us and a key priority in the three year plan. Our various university-wide actions and initiatives combine to form a holistic approach to the increasing challenges we face, specifically in the areas of stress management and mental health for staff and students. The goal is to build on our strengths; we have a nationally recognised counselling service, a strong 'Well@Brunel' programme of events and increasingly integrated stress management in line with the HSE guidelines and supported through our Human Resources (HR) business partner network and improved occupational health provision. The addition of a new university-wide mentoring programme and an Employee Assistance Programme will add depth and strength to our infrastructure of support.

A particular focus will be working in partnership with the Union of Brunel Students to promote student wellbeing and resilience, building on the recommendations of the Universities UK (UUK) Taskforce on Mental Health in Students. We aim to deliver an integrated system of student support across the University, engaging all staff who are in contact with students, not just Counselling and other Student Support Services, and providing local support in the Colleges through the Associate Deans for Student Welfare, the Departmental Senior Tutors and Tutoring@Brunel to enhance student welfare. We will support staff through appropriate training to ensure that they are equipped to recognise mental health problems and direct individuals to appropriate sources of support. A further programme, supported by a HEFCE Catalyst Grant, will review our policies procedures for reporting and addressing cases of sexual harassment so as to ensure vulnerable students are properly supported.

For the past three years our Brunel Voice staff survey has identified 'Equality and Diversity' as a strength area in the University. The HR team is well supported by Associate Deans of Equality and Diversity within the Colleges and there is a varied programme of events to promote and support minority groups that runs throughout the year. Our Equal Opportunities and Human Resources Committee governs this agenda and all activity and action plans are monitored through this forum. As members of Stonewall and Working Families and accredited by both Athena SWAN (Bronze at University level and within several departments) and the HR Concordat for Research Excellence, we are striving to achieve higher levels of accreditation as well as to commence accreditation within recognised race and disability standards. Our immediate plans also include further support for carers and parents and the new Carers' network is accelerating innovative practice in this area. Student equality and diversity remains a high priority for the University and our

integrated programme of support and activity for widening participation students will be re-energised through the new Student Experience and Welfare Committee and the Student Success Project.

The University has relaunched the ASPIRE Leadership Development Programme, following feedback received through the Brunel Voice staff survey. ASPIRE is a 6 month professional development programme for emerging leaders at Brunel, that aims to:

- engage a broad group of academic and professional services staff who want to develop their understanding and ability to demonstrate effective leadership aligned with Brunel's strategic aims situated within the overall Higher Education context;
- provide continued development support for this group through cross-boundary action learning that supports collegial practice, innovation and diversity;
- provide ongoing support to the professional development of the individuals within the group.

Reward and recognition is an important element of the University's people strategy and supports and facilitates performance improvement and engagement. The new principles of the 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. The University is developing a three year plan for reward and recognition that will ensure that employees in academic, professional services and support roles are paid in a way that reflects relative accountabilities, job size and performance. In addition, the plans will lead to an approach to reward that is proportionate to wider pay rates in the Higher Education sector and general market sectors and are able to demonstrate responsible investment of public money.

In 2016, the University London marked its 50 year anniversary of world-class research and innovation in teaching. A series of events were held on campus and around the world, designed to celebrate the history and achievements of our staff, students and alumni, and to engage with our partners, funders and prospective students. The celebrations culminated with the Parliamentary Dinner held in November 2016 in the House of Lords, at which the University's new Strategic Vision, Brunel 2030 was launched.

We continue to support our alumni as they progress in their careers by building an active and engaged network across the world, keeping them engaged with the University as mentors, supporters and influencers. We manage alumni communications across the University to ensure that Brunel is complying with the requirements of the Data Protection Act, that the level of contact is appropriate and to maintain an accurate record of the level of alumni engagement with the University. Colleges and Departments are supported to identify and engage successful alumni to support their course delivery and promotion and we encourage and support departmental events engaging with alumni e.g.: the Business School's engagement of MBA MSc graduates, alumni involvement in Made in Brunel, Brunel Engineers and Brunel Digital and a reunion and professional networking event for Music.

In 2017/18 we will continue grow our active online alumni network and establish new international chapters in the US, Canada, Kenya and Thailand. We will establish UK and European alumni ambassadors in strategic areas, in a similar way to the existing international alumni network. A key part of this will be a London-based network of supporters who will be cultivated through a new key event. We will also consolidate the engagement of the current network of 36 alumni chapters and associates through communications, events and online engagement. We will host one or more alumni events in London, New York, Toronto and within Pakistan. In addition, we will support the staging of events by either local alumni chapters or the International Recruitment team in Singapore, Beijing, Delhi, Mumbai, Bangkok, Seoul and in the Gulf. We will facilitate a number of on-campus reunions for alumni groups interested in reconnecting with each other – notably the class of 1970 is planning an event.

Brunel alumni and supporters are a vital part of the University's mentoring programmes, particularly the Women in Brunel Engineering and Computing scheme and the Professional Mentoring programme for Widening Participation students. Currently the University receives over 750 offers from alumni to become a mentor each year and is able to make use of only 54 of these within the programmes that currently run. Finding a greater number of outlets and also more students who are prepared to seek a mentor in this way is a key priority in the next three years.

Our Campus and Local Community

The University makes a considerable contribution to the economic and social fabric of the region and we wish to foster pride in Brunel by offering our facilities, expertise and skills to support the local community, in order to build positive relations and develop a strong working relationship with the London Borough of Hillingdon and other public bodies in the area. Brunel has always been a vital part of the local community and our Strategic Vision for the next 15 years, Brunel 2030, prioritises the role of the Civic University as one of our main objectives. We intend to strengthen our position as a civic university, using our innovation and entrepreneurialism to help drive the local economy and build important strategic partnerships with local organisations to bring benefits to, and increase our impact in, the local community. Led by the Deputy Vice-Chancellor for Academic Affairs and Civic Engagement, we have a programme of specific actions focused on community communication, staff and student volunteering, Union of Brunel Students activities, and utilisation of the new STEM Centre (see below) by local schools, targeting 30,000 pupil visits per annum.

Major Building Projects

Learning and Teaching Centre (LTC): Set to be located in place of the John Crank building at the very heart of the Campus, the £50 million Centre will also be at the heart of modern, innovative teaching and learning opportunities for students here at Brunel and is scheduled for completion in 2020. The chosen design, with the spacious, flexible interior of the building fits in well with Brunel's ambitions to produce an environment that is adaptable to new methods of learning and can build upon all the work already being done across campus to innovate and modernise our teaching. A Programme Board, chaired by the DVC (Education and International), has been established to oversee the project. Demolition of the John Crank Building will commence in early 2018, following the relocation of the Department of Mathematics and the Computer Centre. The detailed design and application for planning will be completed by the end of January 2018 and building is expected to start in mid-2018.

Wilfred Brown Building: Work on the Wilfred Brown Building and adjacent Michael Sterling Building was completed in the second half of 2017. The new facilities will provide high quality academic space for the Departments of Computer Science and Design and a Science Technology Engineering and Maths (STEM) Learning Centre designed to raise the aspirations of young people and encourage them to pursue careers in the STEM disciplines. The academic Departments moved into their new facilities in September 2017 and activities in the STEM Centre commenced shortly afterwards. Arrangements will be made for an official opening of the Wilfred Brown Building early in 2018. Occupation of the Wilfred Brown Building will in turn free up other space on campus and enable the relocation of a range of departments that will enhance the colocation of college-based activity and the sense of academic community.

The development of the Metals Research Park is well underway, with the view to co-locating all the various components of BCAST and expanding this successful area of research through collaboration with industry and government. The Advanced Metal Casting Centre 1 (AMCC1) is fully occupied and AMCC2 was completed during 2017. The potential for a third research facility, AMCC3, to replace the LiME Laboratories located in the University's Towers Buildings, is being explored.

The University has identified potential priority projects, in addition to the LTC, of a new design engineering centre and a health and sports centre. The two projects are being defined and scoped and will be subject to review and approval through the University's assurance and governance processes; whilst the projects have been approved in principle, the timing and quantum have yet to be confirmed, as the University explores financing options, and the capital plans can be amended, should the relative priorities and requirements of the University develop and change over the medium term.

Information Technology

Information Services (IS) - Work has continued to modernise our IS provision, including increased use of Cloud technology, and the migration of core services to an offsite location at Slough whilst retaining onsite capability in a second data centre. The increased cyber security threat that has been highlighted in the media in recent months has led to a review of our provision and the establishment of a small team to direct our immediate response to the threats and an action plan to mitigate the risks. The work has included an

education programme that has as its priority increasing staff and student awareness of Phishing and related threats.

The University is implementing new Human Resources and Finance systems, which are expected to replace existing legacy systems and go live in 2018. Described internally as Project TIGER, it is a business-critical information management programme that is concerned with the design, build and implementation of a new information management solution to change the way we capture and process data and significantly improve the way we work across the University. This will place the University in a position to best manage its resources and so remain financially sustainable. Without it, complying with statutory reporting requirements and meeting demand for improvements in business reporting and performance will become increasingly difficult.

Global impact

The International Strategy seeks to build on the University's strong international ethos and standing. The International Strategy has 4 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) develop and maintain international education, research and business partnerships.

Brexit is 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. In addition ongoing pressure on immigration, and the increasing regulation of student visas, may challenge our ambition to recruit overseas students. We are working to mitigate these issues in several ways, including building a strong network with like-minded European universities (YERUN), seeking alternative sources of international research funding and developing transnational education (TNE) opportunities to educate students outside the UK.

We continue to build partnerships with universities, research institutes and business across the World. We have over the last few years developed good partnerships with universities in Brazil, China and South East Asia. We will work to increase the number of students coming from these partners, and expand our partnerships in India and other countries. We are also developing our first substantial undergraduate TNE programme in China. 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 (~50%) 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 new funding streams that will be available; the recent partnership with Szechuan . 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.

We are also seeking to internationalise home students studying on the Brunel campus. 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 the last two years we have developed opportunities in Singapore, Brazil, China, Malaysia, Bahrain and South East Asia, India and the USA. The impact of this will be to give our students the 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 to the University, 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.

Student Numbers

Student Numbers	2016/17			2015/16			Variance		
	HEU	Int'l	Total	HEU	Int'l	Total	HEU	Int'l	Total
Undergraduate	8,364	1,061	9,425	8,250	1,187	9,437	114	(126)	(12)
PGT	1,484	933	2,417	1,330	1,101	2,431	154	(168)	(14)
PGR	311	399	710	371	507	878	(60)	(108)	(168)
Total	10,159	2,393	12,552	9,951	2,795	12,746	208	(402)	(194)

Overall student numbers as recorded at the 1st December 2016 were 12,552, which represents a decrease of 194, or 1.5% from the 1st December 2015 level.

HEU undergraduate numbers increased by 114 students, or 1.4%, continuing the increase in 2015/16 (2.0%). This follows from the University's actions to address the experience of reducing numbers since the introduction of the new tuition fee regime in 2012, with careful positioning of its academic intake requirements by course, balancing our strategic position of maintaining the quality of our entry requirements with the need to attract sufficient numbers of students on our undergraduate programmes. HEU postgraduate students saw an increase of 154 for numbers of taught (PGT) students and there was a reduction of 60 in the number of HEU research (PGR) students.

International student numbers declined overall by 398, which represents a fall of 14.2%. The reductions occurred in all three categories and reflect the competitive market both within the UK and internationally. In response to these significant reductions and the consequent impact on our tuition fee income, the International Student Recruitment team has expanded its target markets to Europe and North America. The University will deploy an account management process with the leading representatives in major recruitment markets to improve efficiency and effectiveness in international student recruitment. We are also building on the work done recently to establish strategic educational partnerships with target universities, thereby ensuring a secure flow of students to Brunel via programmes in which students spend one or more years of their degree programme at Brunel. A number of partnership agreements will be finalised with universities in China, America and Pakistan which together will secure increased income in 2017/18 and beyond.

Operating Results 2016/17

A summary of the University's Consolidated Income, Expenditure and Outturn for the year ended 31st July 2017 is provided in the table below which also identifies the operating cash flow, accumulated reserves excluding pension liability and the total cash and short term investments at the year end.

	2016/17	2015/16
	£m	£'m
Income	200.6	201.7
Expenditure	(200.0)	(199.4)
Surplus Before Other Gains and Losses	0.6	2.3
Net Operating Cash Inflow	13.5	12.0
Cash and Short Term Investments	56.0	60.3

The University generated a Surplus before Other Gains and Losses of £0.6 million for the 2016/17 year and the net cash flow from operating activities was 6.7% of income (£13.5 million), slightly higher than in 2015/16. With our levels of cash and short term investments (£56.0 million at 31st July 2017), we are in a position to record relatively low levels of surplus and are also able to invest in a planned capital programme to address a number of strategic objectives, including the construction of the c£50 million Learning and Teaching Centre.

Income

	2016/17	2015/16
	£m	£m
Tuition Fees and Education Contracts	107.1	108.5
Funding Body Grants	26.4	26.6
Research Grants and Contracts	21.0	21.9
Other Income	45.3	43.7
Endowment and Investment Income	0.8	1.0
Total Income	200.6	201.7

Total income for 2016/17 was £200.6 million, slightly lower than in 2015/16 (£201.7m). In accordance with our financial strategy, we have invested most of our income in our operations, while generating a level of cash that, combined with our cash reserves, allows us to fund capital plans over the medium term.

Tuition fees overall decreased by £1.4 million and Funding Body Grants by £0.2m, reflecting lower overall numbers of students, as detailed in the previous section.

Research grant income was £0.9 million lower than in 2015/16 on a recognised income basis. Income from research grants is recognised in the financial statements over a period averaging three years, as the work is performed and therefore the research grants awarded in 2016/17 of £23.6 million (2015/16: £31.8 million – this included a £10.1m grant awarded to Brunel for one of first two national Future Manufacturing Research Hubs established by the EPSRC), will be reflected in the financial statements in future years as the work is performed over future years and should contribute to further growth in research income in the financial statements.

Other income increased by £1.6 million, or 4%, and consisted of student residences income, conference, hotel, retail and also income from summer school activity for foreign language students on the campus. Increased levels of income from residences were invested in the residential estate, as part of the planned programme of accommodation improvements and maintenance over the medium term.

Expenditure

	2016/17	2015/16
	£m	£m
Staff Costs	109.6	109.5
Other Operating Expenses	68.4	69.5
Depreciation	15.8	14.2
Interest Payable	6.2	6.2
Total Expenditure	200.0	199.4

Overall expenditure was £0.6 million higher than in 2015/16, reflecting the management of our cost base in response to income pressures arising from lower student numbers.

Staff costs, were £109.6 million and almost flat with 2015/16. There was an increase starting from April 2016 in the employer contribution costs for the largest pension scheme, the University Superannuation Scheme (USS), and from increases to employer national insurance costs. The full year effect of these increases, together with the c£0.5 million cost of the new employer apprentice levy, impacted 2016/17, along with normal inflationary pay cost pressures, and the University actively managed its staff numbers through timing and levels of recruitment.

Other operating expenses of £68.4 million were £1.1 million lower than in 2015/16, with maintenance and repairs expenditure reduced (2016/17: £5.9 million, 2015/16: £8.5 million) following several years up to 2014/15 of high levels of maintenance work on a number of our student residence and academic buildings. Maintenance expenditure and capital expenditure on the campus infrastructure are managed together. Although reduced, the 2016/17 levels were still relatively high for the sector and we will continue to incur significant expenditure in this area as our residential accommodation constructed in the first decade of this century will require higher levels of maintenance and refurbishment than in the first years of its life.

Depreciation costs increased by £1.6 million compared with 2015/16, reflecting the recent capital expenditure and the resulting depreciation including the £15 million of equipment funded by HEFCE purchased for the National Structural Integrity Research Centre (NSIRC) which is located at our partner TWI's location at Granta Park in Cambridge.

Cash and Debt

The University generated £13.5 million in cash from operating activities and ended the year with a closing balance of £56.0 million in cash and short term investments. The cash balances reached over £85 million at their highest point during the year and were at their lowest level at the end of the financial year, indicating the variability of the cash levels that we manage. The University has long term debt of £87 million which extends for a further 23 years (until 2040) when a final payment of £27.2 million needs to be made. The University has a series of interest rate swap agreements, which result in a net interest rate on the long term loans of 4.6% throughout their term. The borrowings have been used to fund the Student Residences which are wholly owned by the University and which generate a gross income of £28 million per year. This income can reasonably be expected to track inflation in future years whilst the interest payments are fixed.

Capital Expenditure

Capital expenditure totalled £28.2 million in 2016/17 (2015/16: £26.7 million), as we implemented our planned programme of capital investment to address our strategic priorities. Significant expenditure in 2016/17 included construction work and equipment on the AMCC phase 2 (funded by a £15m grant from HEFCE), continued refurbishment work on the Wilfred Brown Building which will house the University's new STEM Centre, and capital expenditure on relocation of the University's main data centre and network point of presence provision, as part of the programme of closing and demolishing the John Crank Building in advance of the construction of the new Learning and Teaching Centre.

The University has undertaken a review of its funding options for its future capital programme, which include self-funding from existing cash reserves and cashflow generation over future years, or seeking additional external debt funding to accelerate the programme. The University's Council will take decisions on the funding options during the course of 2017/18, and will appraise HEFCE of its plans in accordance with the Memorandum of Assurance and Accountability.

Financial Sustainability

The summarised financial strategy is to deliver the finances to enable the University to fulfil its mission and to meet its strategic and operational objectives in a sustainable way. The University monitors the achievement of this strategy through various analyses, including the financial sustainability risk categorisation data and outcomes produced, for the first time in April 2017, by HEFCE, as part of its APR (referenced in the Education and Student Experience section of this Report). The outcome of the APR process for 2016/17 was positive, with both risk categorisations reached by HEFCE's Independent Quality committee on i) financial sustainability (Not at Higher Risk); and ii) Quality and Standards Matters (Meets Requirements) being the best possible. The financial data focuses on the previous year's financial results and as such we need to consider the probable outcomes on the 2016/17 data reported here.

The KPI that focuses on the University's ability to respond to short term financial pressures is that of Net Liquidity Days. The University's cash position (including short term investments) stood at £56.0 million or 111 days of general expenditure (excluding depreciation) at 31st July 2017, compared with 2015/16's figure of 119 days. HEFCE note that a measure of less than 30 days would indicate an issue to be considered. The KPI of operating cash flow as a percentage of income for 2016/17 was 6.7%, (2015/16 – 5.9%). HEFCE note that a measure below 0% would indicate an issue to be considered. The KPI of surplus to income for 2016/17, at 0.3% (2015/16: 1.1%) is relatively low for the sector and is close to the HEFCE benchmark of 0% at which an issue is considered, but as noted in previous reports, with our strong levels of balance sheet cash and net liquidity, we have prioritised investment in teaching, research and non-academic services, as well as addressing the strategic estates maintenance issues. Our Assets : Liabilities ratio of 1.61 (2015/16: 1.49) is well above the HEFCE benchmark of 1.0.

In July 2017 the University submitted its financial forecast for the future years to 2019/20 to HEFCE as part of the annual regulatory requirements. The forecast considered the likely impact of the developing sectoral changes, including competition for students and for research grants and the potential impact of Brexit. Student numbers, particularly HEU undergraduates, have been forecast cautiously, reflecting our recent experience and taking account of potential responses by other institutions to the competitive market for student recruitment and for research funding. Following recent indications, including the successful outcome of the QAA assessment in 2016, we had forecast an increase in the levels of HEU student tuition fees that the University will be able to charge from 2017/18; after the recent UK Government decision to freeze student tuition fees for the 2018/19 academic year, the forecasts will be impacted, and the University will need to develop mitigation plans to address the impact of this legislative change. Research grant income is forecast to increase moderately, as we continue to increase both the levels of grants awarded and also mainstream quality-related research funding from HEFCE. In line with the sector, there are significant pressures on staff costs, with the annualised effect of increased employer national insurance costs from 2016/17, increased pension costs particularly for the USS (with possibly further increases to follow), the introduction of the apprentice levy and the increases to the national sector pay scales. Overall, the University is forecasting increasing levels of operating cashflow generation in the years to 2019/20, as we

plan to increase this and the resulting operating surplus in order to improve the University's financial flexibility and fund future capital plans.

Separately from the HEFCE indicators and Four Year Forecast analysis, the University continues to conduct a formal assessment of the going concern status of the University, taking into account the guidance produced by the Final Report and Recommendations of the Sharman Panel of Inquiry which was published in June 2012. The guidance asks the University to review both: solvency - the ability of the University to meet its liabilities in full, ensuring there is sufficient capital so that there is an excess of assets over liabilities; and liquidity - the ability of the University to liquidate its assets at the velocity needed to meet its liabilities as they fall due. The formal conclusion of the assessment undertaken in November 2017 is that the University meets the requirement that "it has a reasonable expectation it has sufficient resources to continue operations for the foreseeable future and the going concern basis continues to be appropriate for preparing the annual financial statements".

The overall conclusion of our review of financial sustainability is that although there are challenges for the University and for the sector, Brunel has the financial resources and flexibility to achieve its key strategic goals as outlined in our Strategic Vision 2030 document, and to deliver on the five distinct areas of focus detailed within this Strategic Report.

A handwritten signature in blue ink, reading "Julia Buckingham". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Professor Julia Buckingham
Vice Chancellor and President

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

Open and Honest - We work to high ethical standards, and are transparent in our dealings and decisions

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

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

Focussed on Excellence - We always aim to achieve the best and we value and reward excellence

Widening Participation (WP)

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

WP outreach activities in 2016/17 targeted students from under-represented groups with particular emphasis on students living in low participation neighbourhoods (LPNs), students with disabilities and care-leavers. The aim is to maintain work carried out to date to ensure that Brunel continues to exceed its WP Higher Education Statistic Agency (HESA) benchmarks in key areas and endeavours to meet its benchmarks in areas where it currently falls short by concentrating its activities on specific institutions and groups.

The University's performance against the main aims of the Access and Student Success Strategy and the OFFA Access Agreement are detailed below. The statistical data is the most recent verified and published by HESA and refers to 2015/16:

- To increase the number of students attending Brunel from (LPNs). For a number of internal and external reasons, the number of young full time first degree students from LPNs fell from the baseline of 5.2% in 2011/12 to 4.6% in 2015/16. To address this, there will be an increase in outreach activities focusing on LPNs and the Admissions team will use contextual data and information to identify students applying to Brunel from LPNs.
- To encourage and support the application, transition, progression and retention of specific cohorts of WP students e.g. the disabled, care leavers, vocational and mature learners, full-time first degree students from LPNs. The number of full time first degree students in receipt of the Disability Support Allowance has increased from a baseline of 3.8% set in 2008 to 7.0% in 2015/16, exceeding the HEFCE benchmark of 6.4%. The WP Office has helped to organise outreach activities for prospective disabled students and their parents/carers as well as on-campus events to support transition. In line with its Commitment to Care

Leavers for which it was awarded the Buttle UK Quality Mark, the University appointed a WP student support co-ordinator who has continued to work closely with the London Borough of Hillingdon Virtual School, organising the annual residential motivational event in July 2017. For the second time a Graduation Support package, which covers the cost of graduation robes and photographs, was offered to undergraduate care leavers, the number of students benefitting from this package has significantly increased.

- To improve the transition, progression and, in particular, the retention and employability of all WP students. Evidence of activity to support the transition, progression, retention and employability of WP students during 2016/17 includes the continuation of the WP Summer Internship scheme to support the employability of under-represented undergraduates. 88 WP students successfully completed summer internships. Findings of an independent evaluation show that it had positive outcomes for student employability, skills development and academic study. Brunel is committed to addressing the attainment gap between specific groups of students and made addressing the attainment gap an institutional KPI. Brunel also appointed a Student Success Project Co-ordinator to work cross both academic and professional departments to implement the 'Bridging the Attainment Gap Action Plan'.

The WP Office has also continued to operate two strands of Professional Mentoring for UK second year undergraduates from widening participation backgrounds and under-represented ethnic minorities. The Ethnic Minority Undergraduate Scheme (EMUS) targets undergraduates from ethnic minority backgrounds and is managed in collaboration with the National Mentoring Consortium (NMC). Both programmes draw on experienced individuals from employers in the private and public sectors. There were 122 matched mentoring pairs in 2016/17, this represents a 35.5% increase on the previous year. The scheme has expanded to include mini internships and activities for students to experience the 'Assessment Centre' approach to the recruitment and selection process. 42 employers currently support the scheme including, the Foreign and Commonwealth Office, BskyB and Brunel University London.

In recognition of the University's successful WP activities, an officer was invited to deliver a presentation as part of the University of Greenwich's Open Lecture Series on 'Access to Success a Life Cycle Approach to WP – an institutional perspective' in December 2016.

Bursaries and Student Financial Support

The University offers bursaries, fee waivers and financial support to a wide range of students of limited financial means from different backgrounds and with different talents, and introduced over 400 new undergraduate scholarships for 2016/17. More than one in five applicants who joined Brunel in 2016/17 received financial support from the University, and a similar proportion will benefit in 2017/18.

In addition to this assistance, there is a range of postgraduate scholarships, studentships and bursaries for both masters and doctoral students. The full range of financial assistance available to students is advertised on the University's external and internal websites.

Research

As well as the larger strategic research activities detailed in the main Research section of the Strategic Report, additional examples of societal public benefit research activities undertaken in 2016/17 by the University include:

Cell division study opens new leads against cancer - Brunel researchers have found that a protein that controls cell division also has a key role switching genes on and off, in a discovery which could reinvent cancer treatment. The protein phosphatase, Repo-Man is one of a clutch of key proteins in cell division, an essential process that goes into overdrive in cancer. The team found Repo-Man is also crucial in controlling mechanisms that switch genes on or off after cells divide. The study, in Nature Communications, is the first to flag up Repo-Man as an epigenetic regulator. It may open fresh lines of attack on aggressive hard-to-treat cancers such as Triple Negative Breast Cancer, or Melanoma. The researchers unveiled the structure of Repo-Man last year, but it was known how this particular enzyme was involved in gene regulation. Now that

the biology is known, how it functions as well as its structure, different areas of its activity can be targeted, including the potential for cancer treatment.

Infra-red Heating to Repair Roads – Potholes develop when surface water is pressurised by travelling vehicles, opening cracks within the asphalt. Wet weather, combined with cycles of freezing and thawing, dramatically accelerates pothole development. Current methodologies deliver hot material to the site for filling and compaction of the pothole which leads to a higher risk of pothole failure due to inadequate heating at the interface between the pavement and fill material. A lack of temperature control deep within the mass also causes failures. Road repair bills in England and Wales could reach £14bn in two years, dwarfing councils' highway £4.4bn budgets, according to the Local Government Association.

Backed by engineering firm, Epicuro, Brunel researchers have developed a portable machine that uses infrared heating to heat pothole surface and deep underneath before repair. A 3D thermal model is used to model and control the repair process. Through better understanding of repair fill material heating, repairs can be delivered that last a lot longer than their current life expectancy of two to four years. This can create better-quality road surfaces which would make for fewer accidents and smaller maintenance budgets. The system is designed to be easily transported to repair sites and operates within a single lane of the road, so extensive road closures are avoided. The technology could save authorities £3.5bn in 2019, by making repairs cheaper and longer-lasting.

Give and Take Care Project – We reported in 2015/16 how the University was awarded a £1million research grant from Innovate UK for the Give and Take Care project, conceived by Professor Heinz Wolff, Professor Emeritus at Brunel, whose career spans more than sixty years and who continues to be at the sharp edge of innovative thinking. Based on the idea of 'reciprocity', people take part in Give & Take Care to support and care for older people in their community. By doing so Give & Take Care participants accrue care hours they can receive in return when they will need care. Give&TakeCare (G&TC) is a Community Interest Company, based at Brunel University London, Its aims are:

- To promote person-centred care for older adults (60+) in local communities
- Alleviate issues of loneliness and isolation
- Improve the prospects of care for future generations
- Reduce the ongoing care crisis by expanding the project across the UK

During 2016/17 Professor Heinz Wolff and Dr Gabriella Spinelli met with government health advisers about Give and Take Care, noting that it represents a potential model for care for older adults that could be introduced via NHS Primary Care Trusts and national charities. The government is looking for a policy framework around volunteering and the focus currently is mental health because demand is increasing. Give and Take Care can offer preventative intervention for those at the early stage of dementia who want to live independently.

Open Access Publishing

Brunel University London has a long-established commitment to open research, and has developed open access and open data policies and infrastructure to showcase our research outputs and share them with the community, to accelerate the reach and impact of our research on those who stand to benefit the most. The aim of open access and open data is to make primary research outputs available free of charge at the point of use, to support the advancement of human knowledge, foster innovation and to improve the reproducibility and validity of research.

Brunel University Research Archive (BURA) was created in 2005, to archive the research outputs by staff and students, including published journal articles, conference proceedings and doctoral theses. In 2015, an archive and registry for research data, *Brunel figshare*, was developed to store metadata and data sets underpinning published research outputs, and data generated by publicly funded research. The data archive is still in the early stages of implementation, and development is ongoing.

Under the University's Research Integrity Code, all researchers at Brunel are expected and encouraged to publish research papers using a suitable open access route, even where there is no applicable government

or funder mandate in place. The Code is aligned with government and national open research policies, including HEFCE policy on open access for the REF, and the open access and open data policies of key public research funders, including Research Councils UK (RCUK).

Gold Open Access, where the institution pays the publishing charges at the outset to make content freely available, is recommended for publicly funded research, as it makes research instantly available at the earliest opportunity. Green Open Access is an alternative and cost effective route for researchers without funding, where content is made freely available in the repository, in line with publisher policies after an embargo period, typically ranging from 6-24 months.

In the year to 31 July 2017, 1,852 items were added to the institutional repository, BURA, bringing the total number of open access items to 13,775, an increase of 16% on the previous year. In supporting Gold Open Access publication related to public research funded by the Research Councils UK, in the year to 31 July 2017, the University Library has spent £286k covering the publication costs of 249 articles.

To help the University's mission to increase the visibility and impact of its research, the Library, based in Information Services, has created a specialist Scholarly Communication and Rights Management team. The team's remit is to embed open research good practice in the University's research culture, use data to drive and refine efficient and sustainable researcher-led scholarly communication and rights services, while meeting institutional, funder and government requirements. In support of this, the team designs and delivers specialist training on open research and related rights in a range of ways, via one-to-one support, departmental or research group meetings and centralised workshops. Training is also embedded centrally in the Brunel Educational Excellence Centre programme delivered to those working towards fellowship of the Higher Education Academy. It also develops the University's current research information system (CRIS) infrastructure and processes to capture data on Brunel's research outputs and their impact, which will play a key part in the government's assessment of the University's research quality in the REF, and be used to demonstrate compliance with government and funders' policies. The team has also recently conducted a survey to identify current research data management practices and requirements, which will be used to shape training and services to help make research data discoverable and openly accessible to all.

Academic Health Partnership

A pioneering new partnership between the University, the Hillingdon Hospital NHS Foundation Trust and the Central and North West London NHS Foundation Trust aims to revolutionise the way health and social care is delivered in the community. Brunel and the two NHS Trusts will work together to launch the new Brunel Partners Academic Centre for Health Sciences – providing the setting for researching and developing new methods of healthcare delivery, while training future generations of healthcare professionals who will be ready to succeed in the changing landscape.

Focusing on allied health, nursing, social care and medicine, the centre will support ambitious plans to educate the current and future health and care workforce, supporting the delivery of radically transformed integrated physical and mental health and care provision. Acting as a gateway to the wider university, the Academic Centre will also enable translational research across health, social sciences, engineering and other faculties.

Funded by the three partners, Brunel Partners Academic Centre for Health Sciences will be officially launched in late 2017. The Centre's activity will sit alongside other high-profile ways in which Brunel is addressing society's major challenges, such as through its research into energy-efficient and sustainable technologies, smart power networks and environmental threats, from climate change to pollution.

Heathrow Aviation Engineering University Technology College

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

included groups of students visiting Airbus in Toulouse and participating on both the Bloodhound Rocket Car Challenge and the Royal Navy Challenge on HMS Sultan.

Using the Progress 8 measure of exam success, Heathrow UTC was the best performing UTC in the UK, and outperformed the average for all schools in both Hillingdon and the UK.

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

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

Brunel Volunteers

Brunel Volunteers is a department which sits within Brunel Student Services and works with charities, community groups and organisations to facilitate volunteering opportunities for students and staff to engage with in 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 2016/2017 Brunel Volunteers continued to build upon the successes gained on campus and within the Hillingdon community. 690 students completed 18,123 hours of volunteering within the local community actively assisting and supporting 64 external organisations on a regular basis. Additionally the department launched and participated in a number of key volunteering activities including: Macmillan Coffee Morning, Governors for Schools recruitment events, '12 Volunteering Days of Christmas' Age UK Hillingdon Faith Celebration, Brunel Athens Refugee project and Hillingdon Community Cancer Centre Indulgence evening.

Brunel Volunteers supports Hillingdon borough charities and community groups with numerous fundraising events. A quiz night was held in October 2016 and Good Deeds Day 2017- a partnership project with Uxbridge College, Pavilions Uxbridge, Intu and Uxbridge Forward took place in February 2017. These events raised £800 for the Mayor of Hillingdon's Charitable Trust. The department supported Royal Brompton and Harefield Hospitals Charity by organising the first Brunel 'Neon Night Run'. Students, staff and local community members participated and raised £1,139. Other organisations that have benefited from fundraising support in 2016/2017 are Pield Heath House School, Age UK Hillingdon, Michael Sobell Hospice and Hillingdon Carers.

Philanthropic Fundraising at Brunel University London

The University engages in fundraising in support of its mission, vision and values. This is focused towards supporting the following areas:

- . Student Scholarships and Bursaries
- . Supporting talented athletes and musicians to continue their development at Brunel
- . Student projects
- . Supporting students facing financial hardship
- . Supporting research and facilities at Brunel
- . Student prizes

The University also reclaims Gift Aid from HMRC, under the University's exempt charity status and adheres to a Code of Conduct for the solicitation and acceptance of gifts, as set out in the University's Policies and Procedures published on our website.

The following statement is provided to enable readers of these Financial Statements to obtain an understanding of the University's governance and legal structure.

The University is a corporation formed by Royal Charter with charitable status. The Charter and Statutes require the University to have two separate bodies, the Council and the Senate, each with clearly defined functions and responsibilities, to oversee and manage its activities. Under the Statutes, the University may have another body, the Court. The University has constituted its Court, which does not have any legal or other powers in respect of the University. The role and effectiveness of Court was reviewed in 2009, and Council agreed that its role should continue as the body through which the University maintains influential contact with the wider community.

The Council is the governing body of the institution and in exercising its role and powers undertakes to meet the obligations placed upon the institution by the founding Charter of the University and on its members as Charity Trustees. This establishes the University as both a teaching and learning institution providing education in various branches of scholarship as determined by the University and also as an institution making provision for research and dissemination of knowledge. Council is responsible for setting the strategic direction of the University, and for the finance, property, investments and general business of the University and is required to present audited financial statements for each financial year. Council approves major developments and receives regular reports from Executive Officers on the day to day operations of its business and its subsidiaries. Its objects, powers and framework of governance are set out in the Charter and its supporting Statutes, the versions applicable in 2015/16 were approved by the Privy Council in July 2014. At the Privy Council meeting on 16th July 2014 Her Majesty approved an Order granting a Supplemental Charter to the University and from 1 August 2014 the formal name of the University became Brunel University London. An Order of the Privy Council granting approval to the amendment the Statutes of the University was granted on 22 May 2015 and a further Order of the Privy Council amending the Charter was granted on 15 February 2017.

During 2015/16 a formal external Effectiveness Review of Council and its Committees was conducted. The Effectiveness Review was initiated following a satisfactory HEFCE Assurance Review and an agreement that, although numerous reviews had been conducted into various aspects of Council Effectiveness, a more comprehensive review was now timely. Council expressed the view that the review should be proportionate and value for money and the preference was to have it conducted by an education/governance consultant with direct experience of University governance arrangements. The recommendations from the Review have either been implemented or will be completed at a convenient juncture. The main conclusion was that 'Brunel is a healthy and well-governed institution'.

In 2016/17, 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, the HEFCE Accounts Direction requirements and HEFCE's Memorandum of Assurance and Accountability. The University agreed in principle to adopt the Committee of University Chairs (CUC) Higher Education Code of Governance 2014 (the Code) at its meeting of Council on 29 January 2015. Over the course of the 2014/15 academic year the University went through a process of applying the Primary Elements of the Code. It was agreed that the adoption and application of the Code would be effective from the start of the 2015/16 academic year and was fully operating during 2016/17. The application of the Code is reviewed annually by Council and a statement demonstrating how the University has approached applying the Code is set out on the University's website.

The Senate is the academic authority of the University, as delegated by Council, and draws its membership entirely from the academic staff and the students of the University. The Senate, subject to the Statutes and Ordinances, is responsible for the academic standards of the University and the regulation of academic matters.

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

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

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

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

The Council met five times in the 2016/17 academic year and it is anticipated that it will meet on five occasions in 2017/18. There are several Committees of Council that are formally constituted with written terms of reference and specified membership, including a significant proportion of independent members, from whom the chair is selected. In the case of the Audit Committee, it is entirely composed of independent members appointed by Council from amongst its members, and co-opted independent members appointed by Council. The Chair of Council is ex-officio on all Council and Joint Committees, except the Audit Committee.

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

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

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

The Remuneration Committee reviews and 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 HEFCE. It also receives a report from the Vice-Chancellor on the performance of the senior management team. Remuneration Committee published its second annual report in 2016/17 covering its activities in 2015/16.

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

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

Council also appoints members to joint committees with Senate such as the Honorary Degrees Committee. This committee is formally constituted with terms of reference and includes three independent members of Council. Council also appoints members to joint committees with Executive Board such as the Human Resources Committee. This committee is also 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 Vice-Chancellor's Advisory Group and the Executive Board. The Executive Board normally meets monthly to consider the strategic and financial direction of the University.

The attendance record for members of Council and its Committees was monitored over the course of the year and the average attendance in 2016/17 was around 85%.

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

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks, and to manage them efficiently, effectively and economically.

The Council has adopted a risk management policy, and has identified where the principal management responsibility rests for risk management. The Council is of the view that an ongoing process for identifying, evaluating and managing the University's significant risks has been in place, and operating effectively, since 31st July 2003. A review of the University's processes and procedures for monitoring risk and maintaining its risk registers was conducted in 2015/16 and the recommendations were implemented in November 2016.

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

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

Brunel University London
Statement of Primary Responsibilities of the University Council

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

- 1.1** To make a contribution to and approve the mission, vision and strategic direction of the University. Subject to consultation with Senate on matters with implications for academic policy, to approve the long term academic and business plans and key performance indicators and to ensure that these meet the interests of the stakeholders and are compliant with the charitable objectives of the University.
- 1.2** To delegate authority to the Vice-Chancellor, as chief executive, for the academic, corporate, financial, estate and personnel management of the institution.
- 1.3** To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment.
- 1.4** To ensure the establishment and monitoring of procedures for handling internal grievances and for managing conflicts of interest.
- 1.5** To ensure processes are in place to monitor and evaluate the performance and effectiveness of the University against the plans and approved key performance indicators, which should be appropriately benchmarked against other comparable institutions.
- 1.6** To establish processes to monitor and evaluate the performance and effectiveness of the Council itself.
- 1.7** To safeguard and promote the good name and values of the University, embracing the principles of corporate social responsibility.
- 1.8** To appoint the Vice-Chancellor as chief executive, to put in place suitable arrangements for monitoring his/her performance and, where deemed necessary, having responsibility to commence any disciplinary measures it considers appropriate including dismissal.
- 1.9** To appoint a secretary to the governing body and to ensure that, if the person appointed has managerial responsibilities in the institution, there is an appropriate separation in the lines of accountability.
- 1.10** To be the employing authority for all staff in the University, to have regard for their well-being and for establishing a human resources strategy.
- 1.11** To be the principal financial and business authority of the University, to ensure that proper books of account are kept, to approve the annual budget and financial statements, to have overall responsibility for the University's assets, property and estate and to comply with the requirements of the sector regulators as defined periodically.
- 1.12** To be the University's legal authority and, as such, to ensure that systems are in place for meeting the University's legal obligations, including those arising from contracts and other legal commitments made in the name of Brunel University London.
- 1.13** To make such provision as it thinks fit for the general welfare of students, in consultation with the Senate.
- 1.14** To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the University.
- 1.15** To ensure that the University's constitution (as laid down in the Charter and Statutes) is followed at all times and that appropriate advice is available to enable this to happen.

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

The Council is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and University. This enables it to ensure that the financial statements are prepared in accordance with the University's Royal Charter, the Statement of Recommended Practice - Accounting for Further and Higher Education, and other relevant accounting standards. In addition, within the terms and conditions of a Memorandum of Assurance and Accountability agreed between HEFCE and the Council of the University, the Council, through its designated office holder, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and University and of the Group's surplus or deficit and cash flows for that year.

In preparing the financial statements, the Council has ensured that:

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

The Council has taken reasonable steps to:

- ensure that funds from HEFCE, research funding bodies and the National College for Teaching and Leadership (NCTL) are used only for the purposes for which they have been given and in accordance with the Memorandum of Assurance and Accountability with HEFCE and the respective Funding Agreement with research funding bodies and the NCTL and with any other conditions which the two bodies may from time to time prescribe;
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- safeguard the assets of the University and prevent and detect fraud; and,
- secure the economical, efficient and effective management of the University's resources and expenditure so that the benefits that should be derived from the application of public funds by the Council are not put at risk.

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

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

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

Opinion

We have audited the financial statements of Brunel University London ("the University") for the year ended 31 July 2017 which comprise the consolidated statement of comprehensive income and expenditure, consolidated and University statement of changes in reserves, consolidated and University balance sheet, and consolidated cash-flow statement and related notes, including the Statement of Accounting Policies.

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 2017, 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;
- 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*, and with the 2015 *Statement of Recommended Practice – Accounting for Further and Higher Education*; and
- meet the requirements of HEFCE's Accounts Direction to higher education institutions for 2016-17 financial statements.

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

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The Council is responsible for the other information, which comprises the Strategic Report on the University's Charitable Purpose Benefit Activities, Corporate Governance Report, Statement of Primary Responsibilities of the University Council, and Council's Responsibilities for the Financial Statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or 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.

Council responsibilities

As explained more fully in their statement set out on page 26, 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

We are required to report on the following matters under the HEFCE Audit Code of Practice (effective 1 August 2016) issued under the Further and Higher Education Act 1992.

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; and
- funds provided by HEFCE have been applied in accordance with the Memorandum of Assurance and Accountability and any other terms and conditions attached to them.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Council, in accordance with the Charters and Statutes of the University. Our audit work has been undertaken so that we might state to the Council those matters we are required to state to 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.



Andrew Sayers
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London E14 5GL
27 November 2017

Brunel University London

Consolidated Statement of Comprehensive Income and Expenditure

Year Ended 31 July 2017

		Year ended 31 July 2017		Year ended 31 July 2016	
	Notes	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Income					
Tuition fees and education contracts	1	107,067	107,067	108,558	108,558
Funding body grants	2	26,377	26,377	26,651	26,651
Research grants and contracts	3	20,858	20,858	21,905	21,905
Other income	4	45,546	45,384	43,580	43,408
Investment income	5	395	395	526	526
Total income before endowments and donations		200,243	200,081	201,220	201,048
Donations and endowments	6	369	369	453	453
Total income		200,612	200,450	201,673	201,501
Expenditure					
Staff costs	7	109,570	109,465	109,555	109,455
Other operating expenses		68,423	68,366	69,496	69,485
Depreciation	11	15,811	15,811	14,179	14,179
Interest and other finance costs	8	6,253	6,253	6,177	6,177
Total expenditure		200,057	199,895	199,407	199,296
Surplus before other gains /(losses)		555	555	2,266	2,205
(Loss) on disposal of fixed assets		0	0	(22)	(22)
Surplus before tax		555	555	2,244	2,183
Taxation	10	(40)	0	(286)	(286)
Surplus/ for the year		515	555	1,958	1,897
Actuarial gain/(loss) in respect of pension schemes	33	15,897	15,897	(16,524)	(16,524)
Change in fair value of hedging financial Instruments		11,153	11,153	(19,521)	(19,521)
Total comprehensive income / (deficit) for the year		27,565	27,605	(34,087)	(34,148)
Represented by					
Endowment comprehensive income for the year		(53)	(53)	(28)	(28)
Restricted comprehensive income for the year		(44)	(44)	(103)	(103)
Unrestricted comprehensive income for the year		27,662	27,702	(33,956)	(34,017)
		27,565	27,605	(34,087)	(34,148)
Surplus / (Deficit) for the year attributable to:					
Non-controlling interest		0	0	0	0
University		515	555	1,958	1,897
Total Comprehensive income / (deficit) for the year attributable to					
Non-controlling interest		0	0	0	0
University		27,565	27,605	(34,087)	(34,148)

All items of income and expenditure relate to continuing activities

Brunel University London

Consolidated and University Statement of Changes in Reserves – Year Ended 31 July 2017

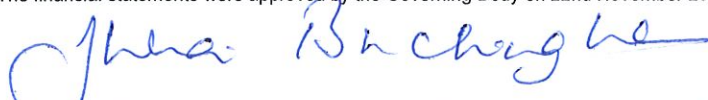
Consolidated

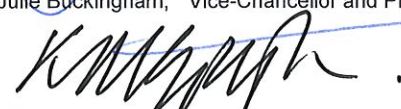
	Endowment £'000	Income and expenditure account Restricted £'000	Income and expenditure account Unrestricted £'000	Cashflow Hedge Reserve £'000	Total £'000
Balance at 1 August 2015	1,704	307	227,398	(32,891)	196,518
Surplus/(deficit) from the income and expenditure statement	(28)	(103)	2,089	0	1,968
Other comprehensive income	0	0	(16,524)	0	(16,524)
Movement in hedge reserve	0	0	0	(12,322)	(19,521)
Movement in 2015-16	(28)	(103)	(14,435)	(12,322)	(34,087)
Balance at 1 August 2016	1,676	204	212,963	(52,412)	162,431
Surplus/(deficit) from the income and expenditure statement	(53)	(44)	612	0	515
Other comprehensive income	0	0	15,897	0	15,897
Movement in hedge reserve	0	0	0	11,153	11,153
Total comprehensive income for the year	(53)	(44)	16,509	11,153	27,565
Balance at 31 July 2017	1,623	160	229,472	(41,259)	189,996
University					
	Endowment £'000	Income and expenditure account Restricted £'000	Income and expenditure account Unrestricted £'000	Cashflow Hedge Reserve £'000	Total (no Non Controlling Interest) £'000
Balance at 1 August 2015	1,704	307	227,308	(32,891)	196,428
Surplus/(deficit) from the income and expenditure statement	(28)	(103)	2,028	0	1,897
Other comprehensive income	0	0	(16,524)	0	(16,524)
Movement in hedge reserve	0	0	0	(19,521)	(19,521)
Movement in 2015-16	(28)	(103)	(14,496)	(19,521)	(34,146)
Balance at 1 August 2016	1,676	204	212,812	(52,412)	162,280
Surplus/(deficit) from the income and expenditure statement	(53)	(44)	652	0	555
Other comprehensive income	0	0	15,897	0	15,897
Movement in hedge reserve	0	0	0	11,153	11,153
Total comprehensive income for the year	(53)	(44)	16,549	11,153	27,605
Balance at 31 July 2017	1,623	160	229,361	(41,259)	189,885

Brunel University London
Consolidated and University Balance Sheet
31 July 2017

		As at 31 July 2017		As at 31 July 2016	
	Notes	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Non-current assets					
Fixed assets	11	424,260	424,260	411,846	411,846
Investments	14	153	33	153	33
		424,413	424,293	411,999	411,879
Current assets					
Stock	17	185	185	110	110
Trade and other receivables	18	21,477	21,478	18,443	18,450
Investments	19	42,000	42,000	44,000	44,000
Cash and cash equivalents	26	14,042	13,966	16,271	16,187
		77,704	77,629	78,824	78,747
Less: Creditors: amounts falling due within one year	20	(46,101)	(46,017)	(44,304)	(44,218)
Net current assets		31,603	31,612	34,520	34,529
Total assets less current liabilities		456,016	455,905	446,519	446,408
Creditors: amounts falling due after More than one year	22	(192,593)	(192,593)	(194,837)	(194,837)
Provisions					
Pension provisions	23	(73,427)	(73,427)	(89,291)	(89,291)
Total net assets		189,996	189,885	162,391	162,280
Restricted Reserves					
Income and expenditure reserve – endowment reserve	24	1,623	1,623	1,676	1,676
Income and expenditure reserve – restricted reserve	25	160	160	204	204
Unrestricted Reserves					
Income and expenditure reserve – unrestricted		229,472	229,361	212,923	212,812
Cash-flow Hedge reserve	21	(41,259)	(41,259)	(52,412)	(52,412)
Total Reserves		189,996	189,885	162,391	162,280

The financial statements were approved by the Governing Body on 22nd November 2017 and were signed on its behalf on that date by:


Julie Buckingham, Vice-Chancellor and President


Michael Spyer, Chair of Council

Brunel University London
Consolidated Cash-Flow Statement
Year ended 31 July 2017

	Notes	July 2017 £'000	July 2016 £'000
Cash flow from operating activities			
Surplus / (loss) for the year		555	1,958
Adjustment for non-cash items			
Depreciation	11	15,811	14,179
(Gain)/loss on investments		(0)	(62)
(Increase) / Decrease in stock	17	(75)	20
(Increase) / Decrease in debtors	18	(3,034)	(571)
Increase / (Decrease) in creditors	20	1,676	(3,531)
Increase / (Decrease) in pension provision	33	33	1,421
Adjustment for investing or financing activities			
Investment income	5	(395)	(526)
Interest payable	8	4,242	4,321
Endowment income		(98)	(88)
Loss on the sale of fixed assets		0	22
Capital Grant Income		(5,212)	(5,103)
Net cash inflow from operating activities		13,503	12,040
Cash flows from investing activities			
Proceeds from sales of fixed assets		0	0
Capital Grant Receipts		15,701	10,506
Disposal of non-current asset investments		0	0
Withdrawal / (Increase) of deposits		2,000	12,501
Investment income		395	526
Payments made to acquire fixed assets		(28,225)	(26,728)
New non-current asset investments		(0)	(58)
New deposits		0	0
		(10,129)	(3,253)
Cash flows from financing activities			
Interest paid		(4,242)	(4,321)
Endowment cash received		98	88
Repayments of amounts borrowed		(1,459)	(1,530)
		(5,603)	(5,763)
(Decrease) / Increase in cash and cash equivalents in the year		(2,229)	3,024
Cash and cash equivalents at beginning of the year	26	16,271	13,247
Cash and cash equivalents at end of the year	26	14,042	16,271

Brunel University London

Statement of Accounting Policies

for the year ended 31 July 2017

1. Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2015 and in accordance with Financial Reporting Standards (FRS 102). The University is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102. The financial statements are prepared in accordance with the historical cost convention and the restatement of fixed assets revalued on 31 July 2014 at deemed cost.

2. Basis of consolidation

The consolidated financial statements include the University and all its subsidiaries for the financial year to 31 July 2017. The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of income and expenditure from the date of acquisition or up to the date of disposal. Intra-group transactions are eliminated on consolidation.

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.

Associated companies and joint ventures are accounted for using the equity method.

3. 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.

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.

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:

1. Restricted donations - the donor has specified that the donation must be used for a particular objective.
2. 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.
3. 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.
4. 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.

4. 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 (LGPS). The schemes are defined benefit schemes which were externally funded and contracted out of the State Second Pension (S2P) until April 2016. USS and LGPS 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.

Defined Benefit Plan

Defined benefit plans are post-employment benefit plans other than defined contribution plans. 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.

5. 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.

6. 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.

7. Service Concession Arrangements

Fixed assets held under service concession arrangements are recognised on the Balance Sheet at the present value of the minimum lease payments when the assets are brought into use with a corresponding financial liability.

Payments under the service concession arrangement are allocated between service costs, finance charges and financial liability repayments to reduce the financial liability to nil over the life of the arrangement.

8. 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.

Brunel University London

Statement of Accounting Policies (continued)

for the year ended 31 July 2017

9. Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the time of the transaction and exchange differences arising on translation are recognised in Surplus or Deficit.

10. Fixed assets

Fixed assets are stated at cost / deemed cost less accumulated depreciation and accumulated impairment losses. Land was revalued to fair value on the date of transition to the 2015 FE/HE SORP, and is booked as deemed cost at transition.

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

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 as defined below.

Land and buildings

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.

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight line basis over their expected useful lives as follows:

Academic buildings, laboratories and lecture theatres - maximum	50 years
Residences - maximum	50 years

Buildings are split into three component parts: structure, fit-out and plant with the useful economic lives last reviewed on 31 July 2014. At that date the range of economic lives was: structure 20-74 years, fit-out 10-20 years, plant and machinery 10-31 years.

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

Equipment

Equipment, including computers and software, costing less than £10,000 per individual item is recognised as expenditure. All other equipment is capitalised.

Capitalised equipment is stated at cost and depreciated over its expected useful life as follows:

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

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

Borrowing costs

Borrowing costs which are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised.

11. Heritage assets

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.

12. Investments

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

Investments in associates and 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.

13. Stock

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

Brunel University London
Statement of Accounting Policies (continued)
for the year ended 31 July 2017

14. 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.

15. Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

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

16. Taxation

The University is an exempt charity within the meaning of Part 3 of the Charities Act 2011 and a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the University is potentially exempt from 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.

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

17. Derivatives

Derivatives are held on the Balance Sheet at fair value. The University has adopted and complied with the requirements of hedge accounting and as a result movements in fair value are recorded within Other Comprehensive Income.

18. 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

Valuation of Land in Fixed Assets

The University applied paragraph 35.10(c) of FRS102 to measure the land at fair value on the date of transition to FRS102 and to treat the fair value as the deemed cost. The land had been previously acquired in the 1960's at £6m. A qualified independent chartered surveying firm Gerald Eve inspected the site and provided a valuation based on the market values for each of the various categories of land. This valuation was then taken unadjusted as deemed cost as at 31 July 2014.

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 SWAP's and their Effectiveness as a Hedged Instrument

The University took out 3 SWAP's 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 using Thompson Reuters software. The "out of the market" position is reflected in the Statement of Financial Position 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 have applied hedge accounting treatments accordingly.

LGPS Pension Liability

The University obtains a valuation from Barnett Waddingham who makes decisions on behalf of the University on the financial assumptions used to calculate the net liability of the scheme. These assumptions include the RPI%, CPI% increases, salary increases, pension increases, discount rate and the estimate of the duration of employer liabilities. The University allows Barnett Waddingham to apply their skill and judgement in setting these parameters as the pension experts rather than suggesting any rate.

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 2% scale increase and 1% inflation increase. Staff numbers in future years agreed to the projections supplied in July 2017 to HEFCE up to 2020, recalculated from 2021 to 2022 based on the same trend as HEFCE projection and assumed flat thereafter until 2031.

Equipment Depreciation

The economic lives of non-building related plant and equipment and vehicles have been based on prior experience of the University.

The reasonableness of these assumptions was benchmarked against peer Universities in March 2012 and has remained unchanged.

Accruals and Provision General

Where there is a liability with an uncertainty as to timing or amount for obligations existing at the balance sheet date such as the case with legal accruals, judgement is made of the likelihood of the future pay-out by both considering past case history and the reasonableness of the provision verified by the legal representatives. No such accrual is considered material as to affect the users' interpretation of these Financial Statements.

Vacation Accrual

The University holiday year runs from 1 September to 31 August for Academic staff and from 1 April to 31 March for Non-Academic staff. In 2013 all departments were approached and holiday data of 35% of the total staff employed was extracted and analysed on a monthly basis to provide a pattern of holiday taken by the Academic staff and also the Non-Academic staff respectively over the holiday year including typical holiday carried forward. The days of entitlement and the part time/full time status was also considered. This analysis provided an average number of days worked per type where accrued holiday was still to be taken as at 31 July. Applying the gross costs per employee as at 31 July divided by the available total days workable provided a cost of the accrued holiday liability which was extrapolated across both categories. Annually a smaller representative sample is taken to assess the adequacy of the holiday accrual in days.

Enhanced Pension Provision

Enhanced pensions have been paid to former employees of the West London Institute of Higher Education on a monthly basis by Hounslow Borough Council and reimbursed by Brunel. Hounslow Borough Council supplies the University with listings of the 21 former staff members still alive, their age, gender and marital status. The University uses the Financial Times figures of 31 July "Gilts: UK Actuaries Indices" to obtain the fixed interest 10 year yield and the index linked 5% inflation real yield and assumes a 1% margin over government bonds to be reasonable. These input figures provide a Net Interest Rate table to apply the age, sex, annual payment and marital status of the former employees and calculate a pension per individual. These are summed for all individuals to provide an appropriate pension provision.

Brunel University London
Notes to the Accounts
for the year ended 31 July 2017

	Notes	Year ended 31 July 2017		Year ended 31 July 2016	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
1. Tuition fees and education contracts					
Full-time home and EU students		67,187	67,187	64,521	64,521
Full-time international students		30,701	30,701	34,325	34,325
Part-time students		2,384	2,384	2,058	2,058
NHS Education Contract		5,074	5,074	4,976	4,976
Short Course Fees		925	925	1,729	1,729
Other Fees		796	796	949	949
		107,067	107,067	108,558	108,558
2. Funding body grants					
Recurrent grant					
Higher Education Funding Council		19,566	19,566	20,758	20,758
Capital grant released in year		5,176	5,176	4,613	4,613
Specific grants					
HEFCE West Focus		1,139	1,139	1,188	1,188
HEFCE Other grants		496	496	92	92
		26,377	26,377	26,651	26,651
3. Research grants and contracts					
Research councils		9,871	9,871	9,213	9,213
Research charities		1,257	1,257	1,104	1,104
Government (UK and overseas)		7,409	7,409	7,789	7,789
Industry and commerce		2,004	2,004	3,469	3,469
Other		317	317	330	330
		20,858	20,858	21,905	21,905
4. Other income					
Residences, catering and conferences		35,691	35,691	33,961	33,961
Released from Deferred Capital Grant		36	36	36	36
Other income		9,819	9,657	9,583	9,411
		45,546	45,384	43,580	43,408
5. Investment income					
Investment income on endowment	24	0	0	4	4
Investment income on restricted reserves	25	0	0	0	0
Other investment income		395	395	522	522
		395	395	526	526
6. Donations and endowments					
New endowments	24	98	98	88	88
Donations with restrictions	25	100	100	118	118
Unrestricted donations		171	171	247	247
		369	369	453	453

Brunel University London
Notes to the Accounts
for the year ended 31 July 2017

		Year ended 31 July 2017		Year ended 31 July 2016	
	Notes	Consolidated £'000	University £'000	Consolidated £'000	University £'000
7.	Staff costs				
	Staff Costs:				
	Salaries	86,929	86,847	87,402	87,323
	Social security costs	9,457	9,448	8,124	8,117
	Movement on USS provision	(1,483)	(1,483)	(434)	(434)
	Other pension costs	14,667	14,653	14,463	14,449
		109,570	109,465	109,555	109,455

Emoluments of the highest paid member of staff:

	2017 £'000	2016 £'000
Salary	310	295
Benefits	13	10
Pension contributions to USS	6	12
	329	317

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

	No.	No.
£100,000 to £109,999	11	12
£110,000 to £119,999	7	4
£120,000 to £129,999	3	3
£130,000 to £139,999	3	4
£140,000 to £149,999	4	3
£150,000 to £159,999	3	1
£160,000 to £169,999	0	2
£170,000 to £179,999	1	1
£180,000 to £189,999	3	1
£190,000 to £199,999	0	1
£200,000 to £209,999	1	1
£210,000 to £219,999	0	1
£220,000 to £229,999	0	1
	36	35

Average fte staff numbers by major category:

	No.	No.
Academic	754	777
Academic Support	456	445
Technical	90	86
Administration Clerical and miscellaneous	411	415
Administration Craftsmen, Manual and Ancillary	89	93
Student Work Placements *	15	25*
Hourly Paid Lecturers and Others *	55	53*
	1,870	1,894

There was £101k compensation for loss of office paid to senior post-holders in 2016/17 (£2015/16 £65k).

- = presentation adjusted

Brunel University London

Notes to the Accounts

for the year ended 31 July 2017

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 19 (2016 - 19) members of the Executive Board to constitute the key management of the University. Compensation includes salary, benefits and employer's pension contribution.

	Year Ended 31 July 2017 £'000	Year Ended 31 July 2016 £'000
Key management personnel compensation	2,833	2,940

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 compositions 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 13 council members was £3,250 (2016 - £3,750 to 15 council members). This represents travel and subsistence expenses incurred in attending Council, Committee meetings and Charity events in their official capacity. Additionally in 2016-17 gifts totalling £272 were provided to Council Members leaving Brunel in recognition of their contribution to the institution.

Related Parties

Brunel paid for membership to Imperial College Health Partners, National centre for Universities and Business, Association of Commonwealth Universities and the All Party Parliamentary University Group in its normal course of business.

Brunel received research income of £32,679 from the Imperial College Healthcare Trust, £96,657 from St. George's University of London and £10,000 from the Department of Transport.

Brunel made payments to New Technology Cadcam Limited of £2,582 for a software licence, a salary cost of £5,769 to the Daphne Jackson Trust and £31,547 to St George's University of London for research carried out.

In 17-18 £28,782 was received for a 17-18 Universities UK conference held at the Brunel premises.

Brunel University London

Notes to the Accounts for the year ended 31 July 2017

	Notes	Year ended 31 July 2017		Year ended 31 July 2016	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
8. Interest and other finance costs					
Loan Interest		4,242	4,242	4,321	4,321
Net charge on pension scheme	33	2,011	2,011	1,856	1,856
		6,253	6,253	6,177	6,177

9. Analysis of total expenditure by activity

Academic Department	90,841	90,841	92,814	92,814
Academic Services	23,587	23,587	20,695	20,695
Research Grants and Contracts	16,685	16,685	12,680	12,680
Residences, catering and conferences & Science Park	22,387	22,225	17,843	17,732
Premises	25,519	25,519	27,537	27,537
Administration	16,141	16,141	16,769	16,769
Other Services	4,897	4,897	4,892	4,892
	200,057	199,895	193,230	193,119

Other operating expenses include:

External auditors remuneration in respect of audit services including VAT	60	57	77	74
External auditors remuneration in respect of non-audit services including VAT	7	7	24	24

10. Taxation

Recognised in the statement of comprehensive income

	2017 Consolidated £'000	2017 University £'000	2016 Consolidated £'000	2016 University £'000
Current tax expense	40	0	286	286
Deferred tax expense	0	0	0	0
	40	0	286	286

Brunel University London

Notes to the Accounts

for the year ended 31 July 2017

11. Fixed Assets

Consolidated	Freehold Land and Buildings £'000	Plant and Machinery £'000	Assets in the Course of Construction £'000	Total £'000
Cost				
At 1 August 2016	472,998	57,754	15,601	546,353
Additions	193	1,796	26,236	28,225
Transfers	55	2,323	(2,378)	0
Disposals	0	(346)	0	(346)
At 31 July 2017	473,246	61,527	39,459	574,232
Depreciation				
At 1 August 2016	100,067	34,440	0	134,507
Charge for the year	8,468	7,343	0	15,811
Disposals	0	(346)	0	(346)
At 31 July 2017	108,535	41,437	0	149,972
Net book value				
At 31 July 2017	364,711	20,090	39,459	424,260
At 31 July 2016	372,931	23,314	15,601	411,846
University				
Cost				
At 1 August 2016	472,998	57,754	15,601	546,353
Additions	193	1,796	26,236	28,225
Transfers	55	2,323	(2,378)	0
Disposals	0	(346)	0	(346)
At 31 July 2017	473,246	61,527	39,459	574,232
Depreciation				
At 1 August 2016	100,067	34,440	0	134,507
Charge for the year	8,468	7,343	0	15,811
Disposals	0	(346)	0	0
At 31 July 2017	108,535	41,437	0	149,972
Net book value				
At 31 July 2017	364,711	20,090	39,459	424,260
At 31 July 2016	372,931	23,314	15,601	411,846

At 31 July 2017 freehold land and buildings included £123.3m (2016 – £123.3m) 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.

Brunel University London
Notes to the Accounts
for the year ended 31 July 2017

12 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 purchased of £133k but no other acquisitions in the past 5 years.

The table below shows the analysis of acquisitions - All entries for 2016 and before have been expensed as below the threshold for capitalising. Acquisitions for the current and previous four years were as follows:

	2017 £'000	2016 £'000	2015 £'000	2014 £'000	2013 £'000	2012 £'000
Acquisitions purchased with University funds	133	16	3	0	3	8
Total cost of acquisitions purchased	133	16	3	0	3	8
Total acquisitions expensed	0	16	3	0	3	8

13 Service Concession Arrangements

The University has no Balance Sheet arrangement where service delivery has commenced.

14 Non-Current Investments

Non-Current Investments	Fixed Asset Investments £'000	
Consolidated		
At 1 August 2016	153	
Additions	0	
Re-assessment of Impairments	0	
At 31 July 2017	153	
University	£'000	
At 1 August 2016	33	
Additions	0	
Re-assessment of Impairments	0	
At 31 July 2017	33	
Non-current investments consist of:		
	Consolidated £'000	University £'000
CVCP Properties plc who own a property called Woburn House which is used by Higher Education Universities as a centre for administration and training	33	33
Dynamic Extractions Limited who provide high performance counter current Chromatography (HPLC) core technology instruments and systems	120	0
	153	33

Brunel University London

Notes to the Accounts for the year ended 31 July 2017

15 Investment in joint venture

The University does not have any joint venture companies.

16 Investment in associates

The University does not have any associate companies

17. Stock

	Year ended 31 July 2017		Year ended 31 July 2016	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
General consumables	185	185	110	110
	<u>185</u>	<u>185</u>	<u>110</u>	<u>110</u>

18. Trade and other receivables

	Year ended 31 July 2017		Year ended 31 July 2016	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Amounts falling due within one year:				
Research grant receivables	6,804	6,804	6,404	6,404
Other trade receivables	10,097	10,071	9,178	9,152
Prepayments and accrued income	4,576	4,576	2,861	2,861
Amounts due from subsidiary companies	0	27	0	33
	<u>21,477</u>	<u>21,478</u>	<u>18,443</u>	<u>18,450</u>
Amounts falling due after more than one year	0	0	0	0
	<u>21,477</u>	<u>21,478</u>	<u>18,443</u>	<u>18,450</u>

19. Current Investments

	Year ended 31 July 2017		Year ended 31 July 2016	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Short term deposits	42,000	42,000	44,000	44,000
	<u>42,000</u>	<u>42,000</u>	<u>44,000</u>	<u>44,000</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 2017 the weighted average interest rate of these fixed rate deposits was 0.68% (2105: 0.89%) per annum and the weighted average period for which the interest rate is fixed on these deposits was 232 (2015: 230) days. The fair value of these deposits was not materially different from the book value.

Brunel University London

Notes to the Accounts

for the year ended 31 July 2017

20. Creditors: amounts falling due within one year

	Year ended 31 July 2017		Year ended 31 July 2016	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Bank Overdraft	0	0	0	0
Secured loans	1,490	1,490	1,421	1,421
Unsecured loans	37	37	37	37
Trade payables	10,803	10,798	11,864	11,856
Social security and other taxation payable	3,376	3,367	3,189	3,178
Accruals and deferred income	30,395	30,325	27,793	27,726
	46,101	46,017	44,304	44,218

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 2017		Year ended 31 July 2016	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Other income	8,572	8,517	5,915	5,847
Research grants received on account	12,335	12,335	11,882	11,882
Capital Grants from HEFCE and other Government sources < 1 year	102	102	50	50
Income in Advance < 1 year	21,009	20,954	17,847	17,779
Capital Grants from HEFCE and other Government sources > 1 year	65,040	65,040	54,603	54,603
Total income in Advance	86,049	85,994	72,450	72,382

21 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.

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

	2017 £'000	2016 £'000
Brought forward 1 August	52,412	32,891
Change in fair value of hedging instrument recognised in SOCI in year (100 effective)	(11,153)	19,521
Carried forward 31 July	41,259	52,412

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.

22. Creditors: amounts falling due after more than one year

	Year ended 31 July 2017		Year ended 31 July 2016	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Deferred income	65,040	65,040	54,603	54,603
Derivatives	41,259	41,259	52,412	52,412
Secured loans	86,294	86,294	87,785	87,785
Unsecured loans	0	0	37	37
	192,593	192,593	194,837	194,837
Analysis of secured and unsecured loans:				
Due within one year or on demand (Note 20)	1,527	1,527	1,458	1,458
Due within one and two years	1,563	1,563	1,527	1,527
Due between two and five years	5,147	5,147	4,909	4,909
Due in five years or more	79,585	79,585	81,386	81,386
Due after more than one year	86,294	86,294	87,822	87,822
Total secured and unsecured loans	87,822	87,822	89,280	89,280
Secured loans repayable by 2040	87,785	87,785	89,206	89,206
Unsecured loans repayable by 2018	37	37	74	74
	87,822	87,822	89,280	89,280

The secured loans are the following:

Lender	Amount £'000	Term	Interest rate %	Borrower
Lloyds	43,603	2040	4.59	University
Lloyds	21,990	2040	4.58	University
Lloyds	22,192	2040	4.58	University
	87,785			

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Notes to the Accounts

for the year ended 31 July 2017

23. Provisions for liabilities

Consolidated	Pension enhancement on termination £'000	Obligation to fund deficit on USS Pension £'000	Defined Benefit Obligations (Note 33) £'000	Total Pension Provisions £'000
At 1 August 2016	1,161	18,536	69,594	89,291
Utilised in year	(39)	(1,166)	(14,659)	(15,864)
Additions in 2016/17	0	0	0	0
At 31 July 2017	1,122	17,370	54,935	73,427

University	Pension enhancement on termination £'000	Obligation to fund deficit on USS Pension £'000	Defined Benefit Obligations (Note 33) £'000	Total Pension Provisions £'000
At 1 August 2016	1,161	18,536	69,594	89,291
Utilised in year	(39)	(1,166)	(14,659)	(15,864)
Additions in 2016/17	0	0	0	0
At 31 July 2017	1,122	17,370	54,935	73,427

Pension enhancement

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

	Consolidated
Discount rate	2.25%
Inflation	2.77%

USS deficit

The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arises from the contractual obligation with the pension scheme for total payments relating to benefits arising from past performance. Management have assessed future employees within the USS scheme and salary payment over the period of the contracted obligation in assessing the value of this provision.

Brunel University London
Notes to the Accounts
for the year ended 31 July 2017

24. Endowment Reserves

Restricted net assets relating to endowments are as follows:

	Restricted Permanent endowments	Expendable endowments	Total 2017	Total 2016
	£'000	£'000	£'000	£'000
Balances at 1 August 2016				
Capital	499	1,224	1,723	1,635
Accumulated income	124	(171)	(47)	69
	623	1,053	1,676	1,704
New endowments	0	98	98	88
Investment income	0	0	0	4
Expenditure	(2)	(149)	(151)	(120)
At 31 July 2017	621	1,002	1,623	1,676
Represented by:-				
Capital	445	1,002	1,447	1,723
Accumulated income	176	0	176	(47)
At 31 July 2017	621	1,002	1,623	1,676
Analysis by type of purpose:				
Lectureships	0	13	13	13
Scholarships and bursaries	469	488	957	968
Prize Funds	152	130	282	284
General	0	371	371	411
	621	1,002	1,623	1,676
Analysis by asset:				
Cash & cash equivalents				
Total Assets			1,623	1,676
			1,623	1,676

25. Restricted Reserves

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

	2017 Total £'000	2016 Total £'000
Balances at 1 August 2016	204	307
New donations	100	118
Investment income	0	0
Expenditure	(144)	(221)
	(144)	(221)
At 31 July 2017	160	204

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

	2017 Total £'000	2016 Total £'000
Scholarships and bursaries	22	22
Prize funds	13	11
General	125	171
	160	204

Brunel University London

Notes to the Accounts for the year ended 31 July 2017

26. Cash and cash equivalents

	At 1 st August 2016 £'000	Cash Flows £'000	At 31 st July 2017 £'000
Consolidated			
Cash and cash equivalents	16,271	(2,229)	14,042
	<u>16,271</u>	<u>(2,229)</u>	<u>14,042</u>

27. Capital and other commitments

Provision has not been made for the following capital commitments at 31 July 2017:

	31 July 2017		31 July 2016	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Commitments contracted by	7,888	7,888	11,124	11,124
	<u>7,888</u>	<u>7,888</u>	<u>11,124</u>	<u>11,124</u>

28. Contingent liabilities

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

Brunel University London

Notes to the Accounts for the year ended 31 July 2017

29. Lease Obligations

Total rentals payable under operating leases:

	31 July 2017 Land and Buildings £'000	Plant and Machinery £'000	Other leases £'000	Total £'000	31 July 2016 £'000
Future minimum lease payments due:					
Not later than 1 year	1,246	10	0	1,256	1,217
Later than 1 year and not later than 5 years	0	0	0	0	10
Later than 5 years	0	0	0	0	0
Total lease payments due	1,246	10	0	1,256	1,227

30. Events after the reporting period

There were no events after the reporting period to record.

31. 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
Cumberland Initiative Limited	Dormant – never traded	100% owned
HecoAnalytics Limited	Dormant – never traded	100% owned
Testavec Limited	Dormant – never traded	100% owned
Syngenious Limited	Dormant – never traded	100% owned

32. Connected charitable institutions

Brunel University London does not have any connected charitable institutions.

33. 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.

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

	Year Ended 31 July 17 £'000	Year Ended 31 July 16 £'000
USS contribution	10,930	10,173
TPF contribution	246	269
LPFA contribution	3,476	4,027
Other Pension scheme contributions	1	2
Provision for the ex-WLIHE pension increase	(39)	(8)
	14,614	14,463

(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

Significant accounting policies

The institution participates in the Universities Superannuation Scheme (USS - "The Scheme"). Throughout the current and preceding periods, the scheme was a defined benefit only pension scheme until 31 March 2016 which was contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its shares of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by Section 28 of FRS 102 "Employee benefits" accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Statement of Comprehensive Income and expenditure (SOC1) represents the contributions payable to the scheme in respect of the accounting period. 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 the resulting expense in the SOC1.

Critical accounting judgements

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 SOC1. 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.

33. Pension Schemes (USS continued)

The total pension cost for the University was £10.9m (2015–16 £10.0m).

The latest available full actuarial valuation of the scheme was at March 2014 ("the valuation date"), which was carried out using the projected unit method. The valuation as at 31 March 2017 is underway.

Since the university cannot identify its share of scheme assets and liabilities, the following disclosures reflect those relevant for the scheme as a whole.

The 2014 valuation was the third 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 £41.6 billion and the value of the scheme's technical provisions was £46.9 billion indicating a shortfall of £5.3 billion. The assets therefore were sufficient to cover 89% of the benefits which had accrued to members after allowing for expected future increases in earnings.

Defined benefit liability numbers for the scheme have been produced using the following assumptions:

	2017	2016
Discount rate	2.57%	3.6%
Pensionable salary growth	n/a	n/a
Pension increase (CPI)	2.41%	2.2%

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

Male members' mortality	98% of S1NA ("light") YoB tables – no age rating
Female members' mortality	99% of S1NA ("light") YoB tables – rated down one year

Use of these mortality tables reasonably reflects the actual USS experience. To allow for further improvements in mortality rates the CMI 2014 projections with a 1.5% pa long term rate were also adopted. The current life expectancies on retirement at age 65 are:

	2017	2016
Males currently aged 65 years	24.4	24.3
Females currently aged 65 years	26.6	26.5
Males currently aged 45 years	26.5	26.4
Females currently aged 45 years	29.0	28.8
Scheme Assets	£60.0bn	£49.8bn
Scheme Liabilities	£77.5bn	£58.3bn
Deficit	£17.5bn	£8.5bn
Funding level	77%	85%

33. Pension Schemes (continued)

(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 its long term future service rate, adjusted for the funding level in respect of past service. For the year ended 31 March 2017, the employer's contribution rate was 17.1% and has reduced from April 17 to 14.4% (17.1% March 16). However the University is required to pay an additional cash contribution from April 16 to March 17 totalling £1.65m and a lump sum April 2017 of £1.92m (£1.65m March 16) in respect of past service benefits. The employee's rate from 1 April 2011 is based on a branded earnings schedule. The employer contributions were £5.39m (£4.03m 2016) and the employee's contributions were £0.92m (£0.92m 2016).

The following information regarding the LPFA is based on the full actuarial valuation of the fund as at 31 March 2007, rolled forward to 31 March 2016 by Barnett Waddingham, an independent firm of actuaries. The major assumptions are:

	2017	2016	2015	2014	2013
Inflation (CPI)	2.6%	2.1%	2.5%	2.6%	2.5%
Inflation (RPI)	3.5%	3.0%	3.4%	3.4%	3.3%
Rate of increase in salaries	4.1%	3.9%	4.3%	4.4%	4.2%
Rate of increase in pensions	2.6%	2.1%	2.5%	2.6%	2.5%
Discount rate	2.7%	2.5%	3.7%	4.2%	4.7%

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	21.0	24.4
Retiring in 20 years	23.3	26.6

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 2017 were measured in accordance with the requirements of FRS102

	2017 £'000	2016 £'000
Estimated Asset Share	83,096	67,370
Present value of scheme liabilities	(138,031)	(136,964)
Deficit in scheme	<u>(54,935)</u>	<u>(69,594)</u>

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Notes to the Accounts
for the year ended 31 July 2017

33. Pension Schemes (LGPS continued)

	2017	2016
	£'000	£'000
Analysis of amount charged to the Statement of comprehensive income and expenditure		
Current service cost (net of employee contributions)	(4,896)	(3,984)
Net interest on the defined liability	(1,673)	(1,820)
Actuarial gain/(loss) recognised in SOCI below the surplus for the year	15,922	(16,531)
Losses on Settlements	0	0
Losses on Curtailments	0	0
Administration expenses	(88)	(95)
	9,265	(22,430)
Return on fund assets in excess of interest	8,665	900
Change in demographic assumptions		
Experience gain on defined benefit obligation		
Other actuarial gains/(losses) on assets	12,799	0
Change in financial assumptions	(5,542)	(17,431)
Actuarial gain/(loss) recognised in SOCI below the Surplus for the year	15,922	(16,531)
Movement in deficit in the year		
Deficit in scheme at the beginning of the year	(69,594)	(51,157)
Current Service costs	(4,896)	(3,984)
Contributions	5,394	3,993
Contributions in respect of unfunded benefits	0	0
Past service costs	0	0
Other finance income	(1,673)	(1,820)
Administration charges	(88)	(95)
Settlements and curtailments	0	0
Actuarial gain/(loss)	15,922	(16,531)
Deficit in scheme at the end of the year	(54,935)	(69,594)
Net return on scheme assets at the beginning of the year	67,370	63,425
Interest on Assets	1,721	2,361
Return on Assets less interest and other actuarial gains		
Other actuarial gains	11,143	900
Administration Expenses	(88)	(95)
Contributions by Employer	5,394	3,993
Contributions by scheme participants	923	916
Estimated benefits paid (net of transfers in and unfunded)	(3,367)	(4,130)
Net return on scheme assets at the end of the year	83,096	67,370
Net return on scheme liabilities at the beginning of the year	(136,964)	(114,582)
Current Service Cost	(4,896)	(3,984)
Interest Cost	(3,394)	(4,181)
Change in Financial Assumptions	(5,542)	(17,431)
Change in demographic assumptions	2,397	0
Experience gain/(loss) on defined benefit obligation	7,924	0
Estimated benefits paid (net of transfers in and unfunded)	3,367	4,130
Unfunded pension payments	(923)	(916)
Net return on scheme liabilities at the end of the year	(138,031)	(136,964)

Brunel University London
Notes to the Accounts
for the year ended 31 July 2017

33. Pension Schemes (LGPS continued)

	2017 £'000	2017 %	2016 £'000	2016 %
Scheme Assets breakdown				
Equities	50,942	61	34,660	51
LDI/Cash-flow matching	0	0	5,887	9
Target return portfolio	17,237	21	16,381	24
Infrastructure	3,745	4	4,760	7
Commodities	0	0	360	1
Property	5,412	7	2,519	4
Cash	5,760	7	2,803	4
Total	83,096	100	67,370	100

History of experience gains and losses cumulative

	2017 £'000	2016 £'000
Interest on Assets	1,721	2,361
Total scheme assets	83,096	67,370
% of scheme assets	2.1%	3.5%
Experience (gains)/losses on scheme liabilities	(7,924)	0
Present value of liabilities	(138,031)	(136,964)
% of present value of liabilities	5.7%	0.0%
Actuarial gain/(losses) recognised in SOCI below the surplus	15,922	(16,531)
Present value of liabilities	(138,964)	(136,964)
% of present value of liabilities	-11.5%	12.1%

Brunel University London

Membership of Council and Trustees during the 2016/17 Year

	Status of Appointment	Date Appointed	Date resigned/ Completed Term of Office
Mr T Belisario	Co-opted member of Audit Committee and H & S		
Professor J Buckingham	Vice-Chancellor & President		
Mrs M Chapman	Independent Member		31.01.17
Professor A George	Deputy Vice-Chancellor		
Ms H Ghantiwala	Independent Member		
Prof K Gregory	Deputy Chair of Council		
Ms Leanne Hunt	Elected Staff Member		
Ms Lucinda Hunt	Independent Member	01.08.16	
Mr P Kanakamedala	Independent Member		
Ms J Kelly	Chair of Council		31.07.17
Professor W Leahy	Deputy Vice-Chancellor		
Professor M Lycett	Elected Academic Member		31.11.16
Mr P Markwell	Independent Member		
Mr A Milani	Student Member		11.05.17
Ms P Otermans	Student Member	15.05.17	
Mr J Park	Elected Staff Member		
Professor G Rodgers	Deputy Vice-Chancellor		
Ms A Rowlatt	Independent Member		
Ms A Spielman	Independent Member		
Professor M Spyer	Independent Member		
Mr P Teague	Independent Member		
Dr K Thomas	Independent Member		
Prof J Wood	Independent Member		

Mrs Jane Kelly's term of office as Chair of Council ended on 31st July 2017 and Professor Mike Spyer was appointed as Chair of Council on 1st August 2017.

Brunel University London

Membership of Council and Trustees during the 2016/17 Year

Committees served during the year: 2016/17

Finance Committee Chairman Mr P Teague Members Professor J Buckingham Professor A George Professor K Gregory Mr P Kanakamedala Ms J Kelly Professor W Leahy Mr A Milani Ms P Otermans Professor G Rodgers Professor M Spyer Dr K Thomas	Audit Committee Chairmen Mr T Belisario [until November 2016] Mr P Markwell [from March 2017] Members Mr T Belisario Mrs M Chapman Mr S Coventry (Co-opted) Ms H Ghantiwala Mr C Somani (Co-opted) [resigned 9 th November 2016] Ms A Spielman Professor J Wood	Nominations & Remuneration Committees Chair Ms J Kelly Members Professor J Buckingham Professor K Gregory Professor W Leahy Ms A Rowlett Professor M Spyer Dr K Thomas
Equal Opportunities and Human Resources Committee Chairman Professor W Leahy Members Professor J Buckingham Professor A George Ms H Ghantiwala Professor K Gregory Ms L Hunt [I]	Special Projects Committee Chairman Professor M Spyer Members Mr T Belisario Professor J Buckingham Professor A George Professor K Gregory Ms J Kelly Professor B Leahy Mr A Milani Mr J Park Professor G Rodgers Mr P Teague Dr K Thomas Professor J Wood	Honorary Degrees Committee Chairman Professor J Buckingham Members Professor A George Mr P Kanakamedala Ms J Kelly Professor W Leahy Mr Ali Milani Professor G Rodgers Professor M Spyer Professor J Wood
Health and Safety Committee Chairman Mr P Thomas Member Mr T Belisario	Ethics Advisory Committee Chairman Mrs M Chapman Member Professor A George Ms H Ghantiwala Mr A Milani	
Professional Advisers		
Bankers HSBC Bank plc, Uxbridge	Legal advisers Eversheds, London Veale Wasbrough Vizards, Bristol Farrer & Co, London Pinsent Masons, Birmingham	External auditors KPMG LLP, London
Indirect tax advisers Ellis Chapman & Associates, Knutsford, Cheshire	Internal Auditors BDO LLP, London	