Financial Statements

2022/23







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Strategic Report 2022/23

Vision

When Brunel was awarded its Royal Charter in 1966 we were given a distinct purpose and an incredible opportunity. Brunel was part of a group of universities established in 1966, charged by Harold Wilson's government to be at the vanguard of the 'white heat' of technology and Brunel soon developed an unwavering reputation for excellent education and research that was and remains, committed to the needs of business, industry and the professions.

Today in 2023, these distinct foundations remain at the heart of the university. While other UK universities have a similar heritage, Brunel retains this distinctiveness more strongly than most. The challenges have changed, but our position as a technical university with foundations in science and technology has remained, and our aims are as innovative and ambitious as they always were. These aims are articulated in the university's new Vision:

Brunel is different! It is a world-class research university, combining a technical focus with research excellence that is closely aligned with the needs of equitable and inclusive, environmentally sustainable global societies and economies. With a strong social mission, distinctive staff talent and highly employable graduates, we have exceptional international reach from our London campus.

Our new Vision was developed alongside the development of our new Strategy **'Wielding Brunel's World Class Difference'** which was approved by Brunel's Council in July 2023, officially replacing the former 'Brunel 2030' strategy. Brunel is committed to embedding its world-class research in the needs of society and the economy. It gives students a research-informed education, geared towards helping them build a career when they leave.

This applies as much to the 'sandwich degrees' that offer industry placement, with which Brunel is famously associated, and to our state-of-the-art focus on craft as a central element of subjects such as design, theatre or creative writing. What marks Brunel out is the combination of this research, excellence in innovation and focus on real-world relevance and application.

The year in numbers

40th
in the UK and 314th globally
2024 QS World University Rankings

6th
in the UK for helping graduates from disadvantaged backgrounds into high-paid work *Institute of Fiscal Studies and the Sutton Trust*

4th
in the UK and 20th in the world for international outlook
Times Higher Education World University Rankings 2023

Top 4
institution in the UK for awards with industry (£46m)
UK Research Partnership Investment Fund

14th
in the UK for producing the most employable graduates
Global University Employability Ranking

74th
among the world's most impactful organisations *Global Times Higher Education Impact Rankings 2023*

7th
in the UK for publications co-authored in one or more other countries *Leiden Rankings 2023*

10,582
Undergraduate students

130,000
Alumni in 175 countries

7,423
Postgraduate students

2,500
Employees

7,655
Overseas students

£16.1m
Research income

Strategy: 'Wielding Brunel's World Class Difference'

2022-23 has seen the development of a long-term Strategy *'Wielding Brunel's World Class Difference'*, focused on the unique traits and distinctive history of Brunel that dates back to 1798 with the establishment of a school in Borough Road, the forerunner of Borough Road College. The College later combined with Maria Grey College, Shoreditch College of Education and Brunel, formerly Acton Technical College. All were set up to educate people in professional, technical and applied subjects. Many of their graduates were Londoners but also from other parts of the world, all of them contributing to transforming the UK economy. The structure and content of our new Strategy presents a clear framework that sets the context and the direction of travel for colleagues across the university in academic areas and professional directorates to develop their plans in order to deliver against the strategy.

The Strategy development was launched in February 2023 with final Council approval in July. It involved the engagement of over 1,000 staff, the leadership team and Council to distil and reaffirm the key distinctive strengths that make Brunel unique and on which to build. These are reinforced by our 3 new refocussed values which further support the direction of travel.

The vision summarises the key elements of the Strategy by affirming that Brunel is a world-class research university, combining a technical focus with research excellence that is closely aligned with the needs of progressive, equitable and inclusive global societies and economies. With a strong social mission, distinctive staff talent and highly employable graduates, we have exceptional international reach from our London campus.

The Strategy and our focus on our unique strengths is articulated around 5 themes:

A World Leading Technical University: closely aligned to the world-class technical universities found across the globe whose research and education seeks to tackle the major scientific and economic challenges facing society, and produce graduates who are at the forefront of addressing them.

Powered by diversity: a key longstanding strength, asset and advantage: a source of innovative thinking, adaptability, entrepreneurship and a horizon-expanding educational experience.

A London campus with unparalleled global reach: the campus sits on the western side of one of the world's leading global cities, a short distance from one of the world's most directly connected airports. Almost uniquely amongst London universities, it is one large and unified green parkland.

Driven by a social mission: an escalator for social mobility and social justice, and an engine for opportunity for those who want to transform their life chances through education. Equally our research looks to real world problems and is based on a strong desire to impact directly on societies' major challenges.

Co-creating with business and industry: few universities in the UK have as strong a relationship with business and industry as Brunel. Long associated with the early adoption of the 'sandwich degree', our engagement with business, industry and the professions runs throughout the university, and is one of our defining characteristics.

'Wielding Brunel's World Class Difference' replaces our previous 'Brunel 2030' strategy, which was developed around the more conventional portfolio areas of Education, Research, Enterprise and Employment, International and Sustainability. As we transition from our former strategy to our exciting new one, this strategic report reflects our previous structure, but with reflections and comments to our new themes and areas of strength throughout. 2022-2023 has been a positive and exciting year for Brunel, a few highlights of which are detailed in the following pages.

Education and Student Experience

In January we launched the New Academic Year project. From 24/25, the university moves to a new academic year, which starts later and is much more in line with other universities, giving our international students longer to arrange their visas, giving our other students more time to enjoy welcome week, and furthermore, reading weeks will be standardised so that students on all programmes have the same reading weeks during term, enabling them to engage in more social and sporting activities together.

Coupled with and running alongside the academic year project, we commenced the alignment of module credits as 15 or 30 credits. Previously, modules had a very wide range of credit values, which made it overly complex and much more difficult for students to take optional modules from other programmes. Alongside this, programmes have been asked to ensure consistency of assessment and teaching hours. Our new module credit structure will be fully in place for first year students starting in Sept 2023.

In order to improve communications with the student body we have re-introduced townhalls and have developed a stronger relationship with our Student Union. We have been working through the language used in our communications with students and some of our policies to make them more student friendly.

To encourage student experience activities throughout the academic year, a checklist and set of guidelines for implementing across all programmes has been produced and shared with all academic areas.

Following the successful launch, 2022/23 saw the first year of our innovative new MBBS medical degree, which is being taught using Team Based Learning. Approximately 100 students joined us in September 22 and have enjoyed a successful first year of our programme.

We have further developed our successful Brunel Online programme, where we recruit MSc students to our flexible on-line programmes in subjects aligned to Public Health, Psychology and Engineering Management.

As our post-Covid teaching settles down, many programmes are employing some of the techniques first used during the pandemic, e.g. flipped classroom or Team based Learning to enhance students' active learning. We also support a wide range of digital tools to support classroom interaction. We have successfully implemented a new Virtual Learning Environment (VLE) using Brightspace. This VLE has proved invaluable in helping students navigate their course with all information required in one easily accessible place. The new VLE has analytics capabilities which will help us monitor student engagement.

We have continued to work very hard to understand our awarding gap, where, in common with most other universities, there are differences in degree award between different ethnic groups. We are very proud of our diversity, as reflecting in our theme ***'Powered by diversity'*** and have carried out research on why the awarding gap persist, have held symposiums and are planning specific interventions across programmes to reduce it.

We were delighted to see an upwards trajectory in our NSS results this year, counteracting our negative trend in recent years. Whilst our rise in the rankings reflects our focussed and positive work over the past 18 months, we can not be complacent and we continue to work at pace to maintain the momentum and further drive the improvements our students deserve and our staff are determined to deliver. Our Student Experience Strategy Group, launched in November 2022 and Chaired by the Vice-Chancellor and President, ensures we continue to maintain a focus on improving our student experience as we start to embed our new strategy.

Research

As a research-intensive university, the goal is for Brunel to improve its research position to amongst the top 40 of UK universities in the next REF (Research Exercise Framework) assessment in 2028. An Annual internal Quality Exercise is being introduced to improve the quality of research outputs Starting with a trial exercise of three UoAs (Unit of Assessment) in 2023, an all-UoA rollout will be implemented in 2024.

This year saw Brunel 40th in the UK and 314th globally in the 2024 QS World University Rankings, which featured 1,500 institutions across 104 locations. The QS World University Rankings emphasise employability, sustainability and International Research Network.

Brunel ranked 4th in UK and 20th in the World for international outlook in the Times Higher Education Impact Rankings 2023. Brunel was ranked 58th globally (out of 1,406) in the same rankings, among the world's most impactful organisations, a measure of how well a research institution is progressing towards delivering on each of the UN's 17 Sustainable Development Goals (SDG). Brunel performed particularly well in the categories SDG 10 (Reduced Inequalities), where our research was ranked 12th, and SDG 14 (Life Below Water), where we ranked 13th. Across all UK institutions, Brunel was ranked 13th.

The CTWS Leiden Ranking 2023 lists Brunel as 18th in the UK, and 82nd in the world, for an indicator which shows the proportion of a university's papers that, compared with other publications in the same scientific field, belong in the top 10% most frequently cited and reflects the fact that Brunel is publishing papers that are highly cited by others across the academic disciplines – and increasingly so. Other indicators in this year's Leiden Ranking demonstrate just how international Brunel's research is. For example, they reveal the proportion of a university's publications that have been co-authored with researchers in one or more other countries. For this measure of international collaboration, 72% of Brunel's research involves international collaboration putting the university 7th in the UK and 66th in the world.

Brunel is making a significant investment in Postgraduate Researchers (PGRs) by raising the minimum stipend for 2022/23 to

£19,668 full time equivalent for all PGRs who are on a studentship funded directly by the university. This is in line with the recent announcement by the UKRI that they are increasing the minimum PGR student stipend by 10% on top of a planned 2.9% increase announced earlier in the summer. The increase is aimed at providing the PGR students with additional support amid the UK's ongoing cost of living crisis.

Brunel Hydrogen Initiative was set up to bring together Brunel's hydrogen expertise to develop critical mass and facilities to meet needs in the fast-developing hydrogen economy. There are over £2m hydrogen relevant projects, including several new Innovate UK and EPSRC supported H2 engine projects on marine and power generations.

Professor Hari Babu Nadendla in Brunel's Centre for Advanced Solidification Technology (BCAST) has won a significant research grant of £1.3m supported by the EPSRC's new flagship Early-Stage Prosperity Partnership programme. The Grant will enable Prof. Nadendla and his team to collaborate with Alloyed to accelerate the process of design and development of AI alloys for sustainable manufacturing, as well as expanding the collaboration to a future multi-million pounds full Prosperity Partnership programme.

Enterprise and Employability

Civic engagement

In the Spring of 2023, after close working and collaboration with colleagues in Hillingdon, we formally signed a Civic Partnership agreement with Hillingdon Council. Following our successful GLA High Streets for All project, we have begun a further phase of work to support the London Borough of Hillingdon to develop a masterplan for Uxbridge High Street. In particular, we are carrying out research to understand what short, medium and long-term interventions are needed to attract people to come and spend more time on Uxbridge High Street, with an emphasis on access, social and cultural interventions as well as public services and retail within a post-Covid environment.

Our interactions with the West London councils have resulted in a number of knowledge exchange projects, for instance; with Harrow to improve food waste recycling rates, with Barnet on the problems with power supply in West London and with Ealing on the remediation of contaminated community land near Southall station and the role of social movements in increasing sport and physical activity for health, wellbeing, and local community outcomes.

This year new initiatives to support SMEs include among others, the Brunel Talent Marketplace and RIEm (Research, Innovate and Emerge). To date, 6 projects have been completed as part of the Brunel Talent Marketplace projects, involving 18 students to a value of £17k. We are now looking at the best way to scale this project up. In our RIEm programme we work with cohorts of SMEs to develop their research and innovation strategy, develop proposals and secure funding. 49 businesses have taken part in the programme and many have gone on to develop their own collaborative research projects.

Throughout the 2022-23 academic year we have continued to support a wide range of community initiatives and events including among others Hillingdon Day of the Older Person, Dementia Cares events, Carers Fair, Black History events, International Women's Day Celebration – Beck Theatre, Summer Schools Playdays, Hillingdon 4 All (H4ALL) Roadshows and Hillingdon Library promotional events. Our Brunel Hillingdon Engagement Network, which meets on a quarterly basis helps to connect our Brunel community with the Hillingdon Borough community.

Employment

Employability outcomes for our 20/21 graduates have significantly improved since last year. Graduates in highly skilled work have increased by just under 10%, whilst those in highly skill work or PG study have increased by 5%. The outcomes gap between white and ethnic minority students has been reduced 3 percentage points (highly skilled work). The ethnicity outcomes gap relative to the sector gone from -10% to -2.9%. The Institute of fiscal Studies and the Sutton Trust places Brunel 6th in the UK for helping graduates from disadvantaged backgrounds into high-paid work.

Brunel is currently ranked 95th out of 130 HEIs in the 2024 Complete University Guide. The Professional Development Centre (PDC) flagship READY Employability programme won the national **AGCAS Excellence Award** for 'Supporting Student/Graduate Employability' and the PDC was also shortlisted for the prestigious 2023 **National Graduate Recruitment Awards** for 'Best HE Careers and Employability Team'. Brunel is the first UK university to join the Global Design Factory Network. As part of this, PDC and the Design School collaborated to deliver 3 exciting, extra-curricular industry challenges for students, partnering with 3 globally recognised brands: McDonald's, Design Ford and Chelsea FC. Students worked in small multi-disciplinary groups over 2-6 weeks to deliver a solution set out by the employer. The Global University Employability Ranking 2023, places Brunel 14th in the UK for producing the most employable graduates.

Apprenticeships

Brunel's new higher and degree apprenticeship provision predominately serves the local and regional healthcare sector; in 2022-23 we trained over 50 nursing associates, in addition to advanced clinical practitioners and data analysts (the current three apprenticeship programmes).

Brunel's first apprentices graduated this year and all of them progressed into nursing jobs in local NHS Trusts – filling key local skills gaps whilst providing positive future career pathways. High levels of apprentice student satisfaction and positive feedback indicates that graduates wish to continue their education at Brunel for further career progression.

92% of apprenticeship survey respondents rate their experience Exceptional or Good, 92% are likely to recommend their apprenticeship programmes to a friend or colleague, and 94% agree that their programme is preparing them for what they want to do next in their career. Employer partnerships have strengthened leading to strategic collaboration with industry that is informing portfolio development. This year the UK Research Partnership Investment Fund, ranked Brunel in the top 4 Institutions in the UK for awards with Industry (£46m).

Equality, Diversity and Inclusion

Equality, Diversity and Inclusion (ED&I) is an intrinsic part of the university's vision and we are committed to providing an inclusive culture and removing any barriers or institutional and structural social inequalities to success, as exemplified by our new theme of ***Powered by Diversity*** in our new Strategy. Our latest Annual EDI Report is **available here**. Key achievements and successes over the past year include:

Academic promotion and career development

Building on our positive trajectory in recent years to address the discrepancy between the promotion of males and females, more women than men were promoted overall (84% women, 53% men). The gap between White and Ethnic Minority colleagues who were promoted has fallen (67% White, 65% EM), we supported 16 women with the Aurora leadership programme and a further 25 women with the Springboard programme.

We have introduced a new Career Development Framework for Professional Services colleagues, which is based on the Association of University Administrators (AUA) framework. While this programme is open to all staff, colleagues from under-represented groups will be particularly encouraged to apply.

Charter renewal and recognition

The university was successful in renewing our Bronze Athena Swan accreditation and the Department of Life Sciences achieved the silver Athena Swan award. We successfully renewed our Disability Confident Leader status and we continue to retain the highest level of accreditation. Work has commenced to start looking at REC accreditation. In addition, Brunel led a consultancy project for Advance HR to develop guidance that supports the development of psychological wellbeing guidance, which has been released as a resource to REC members. The work of our active and supportive LGBTQ+ staff network was recognised by a silver award as part of Stonewall's Workplace Equality Index with Brunel moving from 296th to 148th out of all the organisations in the index.

Equality

We introduced an Equality Impact Assessment Panel and improved our Equality impact assessment process and training. Following discussions with our LGBTQ+ staff network and the Associate Deans for EDI, we reviewed the sex, gender and sexual orientation categories in our systems to ensure they are inclusive and in line with best practice. This will be supported with a campaign to encourage colleagues to update their diversity data including their gender identity and sexual orientation and build trust and confidence that Brunel is an open and supportive place to work.

Our most recent Annual Pay Gap Report is **available here,** which shows that our gender, ethnicity and disability pay gaps continue to narrow. Working in partnership with the Universities and Colleges Union (UCU) we implemented a new Reader Pay Grade that improves the transparency of pay determination and supports equal pay.

We introduced a new Report and Support system, which provides a secure way for colleagues to report any form of harassment, discrimination or bullying including anonymously if required.

Brunel also signed up to the non-disclosure agreement (NDA) Pledge ***'Can't Buy My Silence'***; a campaign committed to ending the misuse of non-disclosure agreements to silence the victims of harassment and to hide wrongdoing.

International

The last academic year has seen the development of a variety of collaborative activities with selected partners including notably, Tampere University, Finland and the Indian Institute of Science, Bangalore.

With Tampere, we have jointly funded a 2nd round of 6 joint projects in Educational Innovation, which have led to innovation in teaching, co-development of new courses and shared delivery. We have continued our joint Research England research project, now including co-supervision of three PhD projects and have also expanded other activities, including student mobility, engagement with SMEs, and collaboration on sustainability initiatives. Following a very successful visit by our VC to the Indian Institute of Science, Bangalore we are developing joint supervision model for PhD students, supported by student mobility funding (including Turing), building on the several existing collaborative research projects already underway at different stages.

Transnational Education

Our Transnational Education is going from strength to strength, with our first in-person graduation ceremony taking place in Chongqing, in June 2023 for 100 CQUPT students. At NCUT, China, all 3 undergraduate programmes have students, with the first graduating cohort (Mathematics for Data Science) in June 2024 and Student recruitment is on target for 2023/4 at 300/year.

Our first TNE summer school for students from both CQUPT and NCUT at Brunel, took place in summer 2023 with 38 students attending. Three new Masters' programmes have been developed at Ahlia, Bahrain and submitted to the Higher Education Council, Bahrain

Student mobility

In terms of our Student mobility, highlights include, our 'first mobility' programme of short visits to Leuven targeted at disadvantaged undergraduates c.60 students have taken part this year and c.20 students went to Rosario, Colombia in summer 2023. For 2023/4, Turing have awarded us £134k for 45 mobility groups; renewed focus on supporting international placements; Turing funding does not cover full costs of mobility and, specifically to deliver our (and Turing scheme's) goal of driving social mobility through student mobility we have invested significant OfS (£50k of Student Premium in both 2022/3 and 2023/4) University funds to support mobility

In terms of League tables, for International Outlook we are ranked 4th in UK and 20th globally; ranking reflects the international nature of our staff and student bodies, and our highly international research collaborations. And for QS, we are delighted to be 343rd worldwide; reflecting Brunel's international reputation rising as we work to be more visible and promote Brunel to international audiences.

Risks

Government policy changes around international students and immigration are causing uncertainty across the sector and affect our ability to recruit international students, with negative consequences in EDI terms (as many students bringing dependents are female and have young families, who they can no longer bring with them). The recent news regarding Horizon Europe has been very positively received at Brunel. Volatility of economic situation in some key countries, and consequences for applications and student finance. Increasing government concern with risks in collaborations affecting ability of students and researchers to come to the UK (several ATAS applications refused) and causing caution in research project development (RCAT).

Sustainability

Sustainability is one of the cross-cutting themes in the **'Wielding Brunel's World-class Difference'** and is clearly articulated in our new Vision as *'a world-class research university, combining a technical focus with research excellence that is closely aligned with the needs of equitable and inclusive, environmentally sustainable global societies and economies'*.

League Table performance

Over the past year Brunel has risen 57 places, to 37th in the People and Planet League Table 2022, whilst there is still scope for improvement, this demonstrates significant progress and a positive trajectory. In terms of the THES Impact League Table, Brunel's solid 58th position in the ranking reflect how well we are progressing to deliver the UN Sustainability Development Goals. Brunel was also Highly Commended in the International Green Gown Awards 2023 (Next Generation Learning and Skills) for the Global Challenges Programme.

Working towards delivering Net Zero

Brunel is committed to working towards a net zero delivery plan with a 2035 target, whilst work has been underway this year, this is high on our agenda for 2023/4. Throughout 2022/23 we have been working on a variety of initiatives, a few of which include (i) a recently launched new Travel & Expenses policy (Sept 2023), which includes a ban (with exceptions for EDI reasons) on flights within mainland UK and to/from Eurostar destinations, (ii) Engaging with Hillingdon Council and other local organisations including, Colne Valley Park and Ruislip Woods National Nature Reserve Management Advisory Group to develop initiatives for staff and students, (iii) support for staff to facilitate sustainable travel with the extension of a cycle network from our campus to West Drayton station at advanced stage of planning; as well as support for staff to purchase electric or ULEZ-compliant vehicles. We recently ran our first 'Brunel Green Week', engaging many staff in a breadth of activities, debates and discussions both on and off campus. All this positive activity is against a backdrop of external factors driving cost increases for energy and the high costs of transforming our 1960s buildings to improve energy efficiency.

Financial review

The university has had a strong year financially, generating an operating surplus of £4.2m.

In a challenging macroeconomic environment, student recruitment has remained strong, increasing income by £10.7m. Overall the university's income has grown £11.1m (4.1%) year-on-year. Costs excluding 2022 pension revaluation grew by 4.9% despite the double-digit inflationary environment. The university thus remains in a strong position to consolidate its strengths and grow, in line with its strategy, into the future.

Operating results

	2022/23	2021/22	2020/21	2019/20
	£'m	£'m	£'m	£'m
Income	**282.4**	271.3	234.0	237.1
Expenditure	**(278.2)**	(312.0)	(256.8)	(215.7)
USS Deficit Scheme change movement (see note 23)	**0.0**	46.9	4.1	(20.3)
Revised Surplus / (Deficit)	**4.2**	**6.2**	**(18.7)**	**1.1**

The above has been adjusted in the table above to separate out the impact of the recognition of the Universities Superannuation Scheme (USS) pension scheme revaluations. This better shows the underlying financial performance and allows for a better comparison across years. 2020/21 was adversely impacted by Covid-19.

For year on year comparison purposes, please use the line in bold: Revised Surplus / (Deficit) as this normalises for the impact of changes in the USS scheme.

The line "USS Deficit Revaluation Scheme change movement (see note 23)" will normally be £0 and only will show a value in years when revised terms have been applied to the repayment plan. For example, changes in contributions year on year in accordance with an existing plan would not constitute a 'revised repayment plan' and would be reflected as £0.

	2022/23	2021/22	2020/21	2019/20
	£'m	£'m	£'m	£'m
Net Operating Cashflow	**18.9**	22.2	28.0	11.9
Cash and Short-Term Investments	**80.1**	78.7	78.7	57.5

Student Recruitment

Overall student numbers were 17,695 representing an increase on 2021/22 of 1%. International undergraduate numbers were up 35% versus prior year, and international postgraduate taught numbers were up 116%. Home and European Union (HEU) undergraduates decreased by 15%, with a decrease of 10% students within HEU postgraduate taught students.

Principal risks and uncertainties

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

- Failure to generate sufficient resources to invest in strategic priorities and maintain an operating surplus.
- Fixed UK undergraduate tuition fees against the backdrop of high inflation rates on costs representing a real term cut in income.
- Failure to maintain or enhance teaching and learning quality and student satisfaction coupled with student retention.
- Heightened cyber security and risks to data security.
- Failure to adapt to the rapid developments in generative AI to ensure the university's academic provision and assessment remains fit for purpose.

Financial Sustainability

The university continues to plan for growth in line with its strategy, whilst managing the associated risks. The university undertakes regular financial planning reviews and scenario planning, including the likely impact of the developing sectoral changes and possible changes to government funding.

The impact of a number of years of ongoing flat UK undergraduate tuition fee levels per student has had an increasing, compound pressure on finances, particularly in the face of double-digit cost inflation; the universities diversification into, and growth in, international and post-graduate markets, is crucial to mitigate this impact.

Brunel remains in a sound financial position, and has plans to maintain and strengthen this position. The university continues to build upon the work undertaken in recent years, and is positioned well to address the changing political, social, economic and legislative environment that it faces.

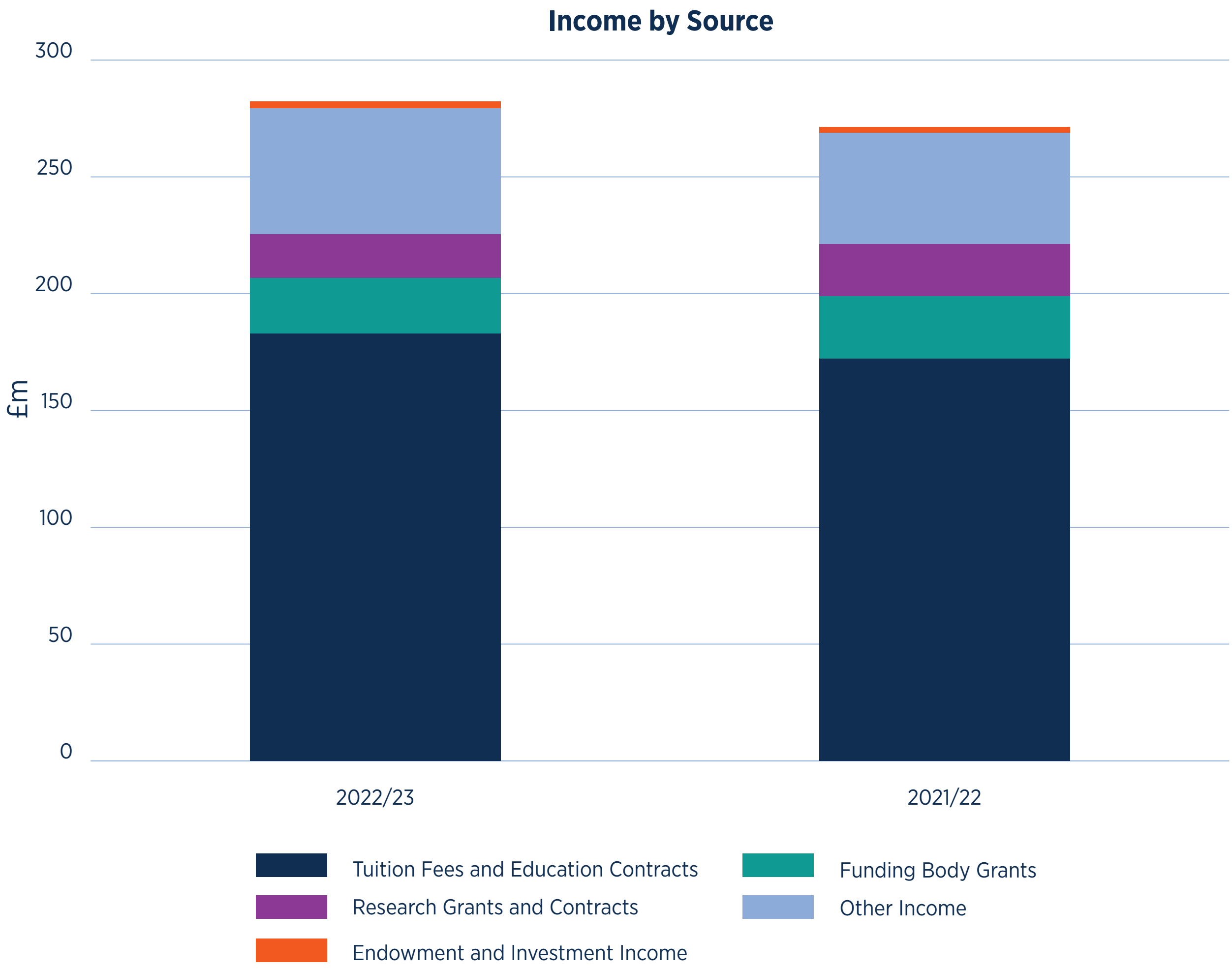
The university is committed to maintaining its long-term financial sustainability and will take the required actions, which include growing income across a number of areas, looking to use its assets more effectively, and targeting its expenditure more efficiently. The university has also set a minimum cash holding level to ensure that it maintains a sufficient cash liquidity buffer. The university considers that it is able to continue to operate as a going concern and that it is appropriate to prepare the financial statements on a going concern basis.

Future outlook

Brunel remains in a sound financial position, and has plans to maintain and strengthen this position. The university continues to build upon the work undertaken in recent years, and is positioned well to address the changing political, social, economic and legislative environment that it faces.

The university has the financial resources and flexibility to work through the challenging economic environment and can adapt to the changing national and global environments in order to achieve its key strategic goals, and deliver its mission to bring benefit to society through excellence in education, research and knowledge transfer.

Income

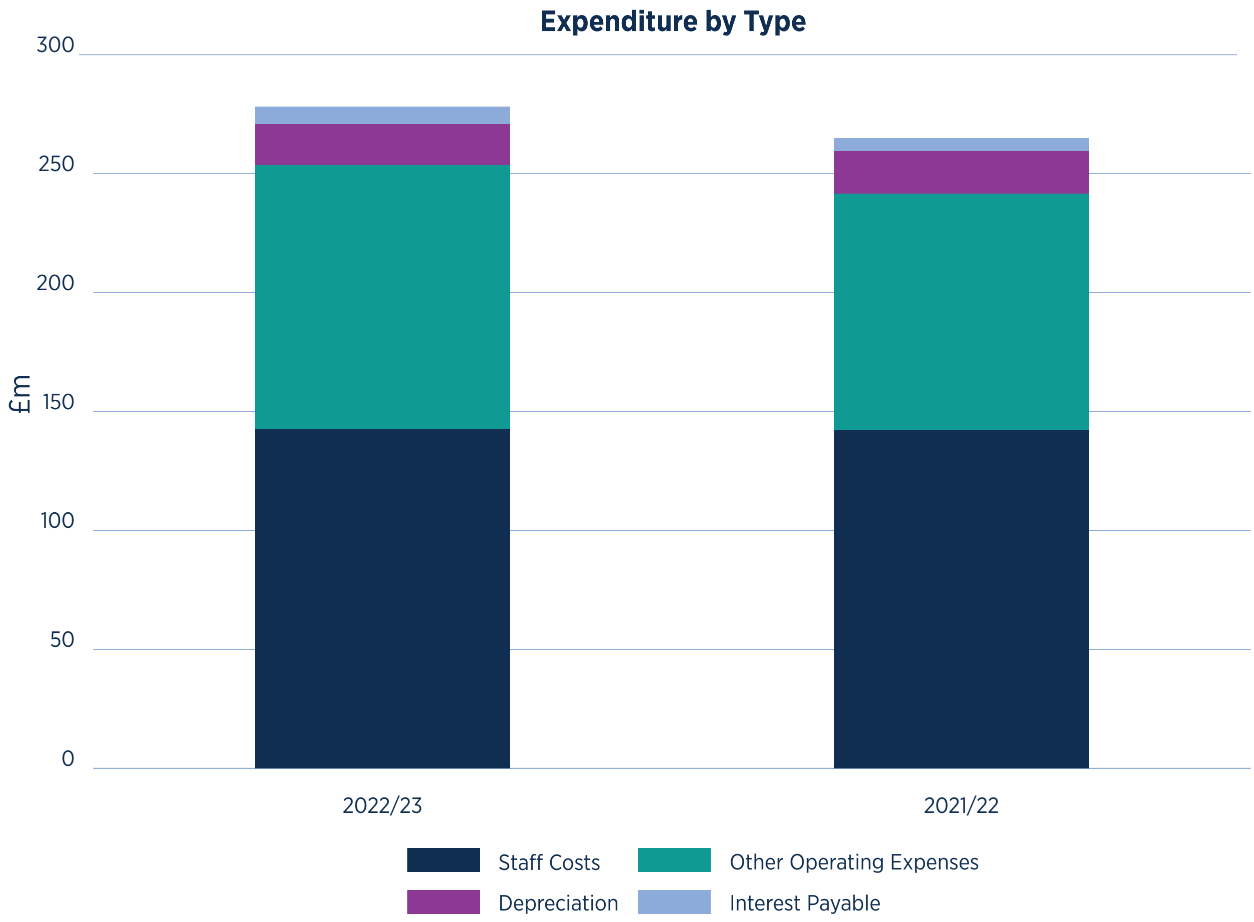


Total income for 2022/23 was £282.4m, £11.1m (4.1%) higher than in 2021/22. This is primarily due to increasing student numbers (overall) and the increased proportion of international and postgraduate students, for whom fees are not capped in the same way as domestic undergraduate students.

Further, emergence from the pandemic has allowed the university to recover its accommodation, retail, and catering income. The university has taken advantage of increasing interest rates to generate £2.2m of interest revenue in the year.

Total income for 2022/23 was £282.4m, £11.1m (4.1%) higher than in 2021/22.

Expenditure



Expenditure was £278.2m, £13.1m (4.9%) higher than in 2021/22 when corrected for the USS deficit recovery programme changes. The majority of expenditure (51.2%) related to staff costs. Inflationary pressures across pay and non-pay costs, as well as increased costs associated with a return to on-campus activity (whilst maintaining the improved online presence) increase the university's cost base.

All expenditure figures exclude the impact of changes in the pension recovery programmes and impairment adjustments.

Capital

Capital expenditure of £16.7m was lower than 21/22 (£22.9m).

Whilst the university maintains an ambitious plan for capital works, the revision of the strategy has led to some projects being re-evaluated. Essential maintenance and improvement of the estate, including student accommodation and facilities, and IT infrastructure, continued throughout the year.

Cash, endowment assets, and debt

The university generated £18.9m in cash from operating activities and ended the year with £80.1m in cash and short-term investments. The university endowment reserves total £1.5m. The university has borrowings of £77.7m (of which £2.0m is due within one year) which are repayable over 20 years with a final payment of £13.5m due in 2040. Borrowings have reduced by £22.3m since 2006. The effective net interest rate on the long-term loans is 4.58%, achieved via interest rate swaps. The debt is secured against part of the university's property portfolio.

Corporate Governance Report

The following report is provided to enable readers of these Financial Statements to obtain an understanding of the university's governance and legal structure. The report is applicable for the financial year to 31 July 2023, and for the period extending to the date of signature of these financial statements.

The university is a corporation formed by Royal Charter with charitable status. The Charter and Statutes require the university to have two separate bodies, the Council and the Senate, each with clearly defined functions and responsibilities, to oversee and manage its activities.

The Council is the governing body of the institution and in exercising its role and powers undertakes to meet the obligations placed upon the institution by the founding Charter of the university and on its members as Charity Trustees. This establishes the university as both a teaching and learning institution providing education in various branches of scholarship as determined by the university and also as an institution making provision for research and dissemination of knowledge. Council is responsible for setting the strategic direction of the university, and for the finance, property, investments and general business of the university and is required to present audited financial statements for each financial year. Council has responsibility for ensuring the appropriate processes are in place, and being followed, to maintain and improve the academic standards of the university.

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

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

Council approves major developments and receives regular reports from the Executive Officers on the day to day operations of its business and its subsidiaries. Its objects, powers and framework of governance are set out in the Charter and the supporting Statutes. The versions applicable in 2022/23 were approved by the Privy Council in July 2014 (amended in 2017) and May 2015 respectively.

In 2022/23, the matters specifically reserved to the Council for decision were set out in the university's Supplemental Charter and the Ordinances. Like most public bodies it operates within a strong framework of regulation, and endeavours to conduct its business in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership). Council has a majority of members from outside the university (described as independent members), from whom its chair and deputy chair must be drawn. Members also include representatives of the staff of the university and the student body. None of the independent members receives any payment, apart from the reimbursement of expenses, for the work they do for the university. Not only does the university comply with all mandatory requirements, but it also strives to operate in accordance with relevant best practice and accordingly, the Council has taken account of the UK Corporate Governance Code, and the OfS Accounts Direction requirements. The Council agreed to adopt the Committee of University Chairs (CUC) Higher Education Code of Governance 2020 (the Code).

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

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

As Chief Executive of the university, the Vice-Chancellor and President exercises considerable influence upon the development of institutional strategy, the identification and planning of new developments, and shaping of the institutional ethos. The Executive Board including the senior administrative officers all contribute in various ways to these aspects of the work, but the ultimate responsibility for what is done rests with the Council. Council is kept informed of the key decisions and discussions of the Executive Board through the Vice-Chancellor's Report which is also given to the university's Senate meetings.

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

The statutes of the university specify that there shall be a Secretary to Council, who shall be appointed by the Council. The Secretary shall be responsible to the Council. Any enquiries about the constitution and governance of the university should be addressed to the Secretary to Council.

The Council met four times in the 2022/23 academic year and, in addition, held one away day. 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.

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 his direct reports and the severance arrangements of higher paid staff as defined from time to time in the Accounts Direction made by the OfS. It also receives a report from the Vice-Chancellor on the performance of the senior management team. The Remuneration Committee Report for 2022-23 is set out in the next section of these financial statements.

The Audit Committee meets at least three times a year to consider reports from the external and internal auditors containing recommendations for the improvement of the university's systems of risk management and internal control and the management's responses and implementation progress. Whilst executive officers attend meetings of the Audit Committee as necessary, they are not members of the committee. The committee meets with the external auditors and the internal auditor on their own for independent discussions at least annually. The committee and internal auditor each present an annual report to Council. It is the Audit Committee that formally recommends the annual audited accounts to Council.

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

The Ethics Advisory Committee exists to support Council and the university and is charged with responsibility for considering ethical matters that may from time to time be referred to it by Council, Senate, the Vice-Chancellor, the Executive or any other committee or body within the university.

Day-to-day management of the university is conducted through the Executive Board. The Executive Board normally meets monthly to consider the strategic and financial direction of the university.

The attendance record for members of Council and its committees was monitored over the course of the year and the average attendance in 2022/23 was 78%.

The university's Council is responsible for the university's system of internal control and for reviewing its effectiveness. The system has operated effectively for the financial year to 31 July 2023, and for the period extending to the date of signature of these financial statements. It has established the processes to comply with the direction from the regulator for the identification, evaluation and management of the key risks facing the university. 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. Such a system is designed to manage, rather than eliminate the risk of failure to achieve business, operational, compliance and financial objectives, and it can therefore only provide reasonable and not absolute assurance of effectiveness.

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

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

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

The Council has adopted a risk management policy and framework and has identified where the principal management responsibility rests for risk management. The day to day management of risk is led by the Director of Strategic Planning overseen by Executive Board and reporting to Audit Committee. The Council is of the view that an ongoing process for identifying, evaluating and managing the university's significant risks is in place and operating effectively.

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.

Remuneration Committee Report

Introduction

This is the annual report of the Remuneration Committee for the academic year to 31 July 2023, which describes its role, remit, membership and sets out the work it undertook and how it discharged its responsibilities. It sets out the decisions taken by the Committee in respect of the remuneration of the Vice-Chancellor and President and senior roles falling within its remit.

The Remuneration Committee seeks to comply with the obligations set out by the Committee of University Chairs (CUC) and the Office for Students, to follow any guidance they might issue and demonstrate good practice.

Remit and membership

The Terms of Reference for the Committee are **available here** and concern the remuneration of the Vice-Chancellor and President, and members of Executive Board, severance decisions above a threshold, broader remits to review salary increases for professors and senior managers and to consider reward schemes in the institution. The Committee also agrees a salary range for the remuneration of new staff earning over £100,000 where their pay is not aligned to an already agreed pay structure (i.e. clinical academics). The roles whose remuneration was the direct responsibility of the Committee in 2022/23 can be found in Annex A.

The Committee's members were:

Mr Mukhtar Ahmed, (Chair), independent member of Council

Dr Vineta Bhalla, Deputy Chair of Council & independent member of Council

Ms Lucinda Hunt, independent member of Council

Ms Hema Ghanitwala, independent member of Council

Mr Chris Maw, independent member of Council

Professor Stuart Palmer, (from October 2022) Chair of Council

The Secretary to the Committee was Eliot Glover, Chief Governance Officer.

The Vice-Chancellor and President, Professor Andrew Jones, was present for matters other than his own pay and expenses. Meetings were also attended by Gemma Bailey (Director of Human Resources) and Sofia Avgerinou, Associate Director Human Resources – Employment Services.

No Committee member or attendee was present during discussion of their own remuneration.

Approach to Remuneration

The university participates in the Universities and College's Employers Association (UCEA) national pay bargaining. The university has a salary scale for grades 1-10 and uses the Higher Education Role Analysis (HERA) job evaluation scheme to determine the grade for roles aligned to the national pay spine. The university's reward policies and procedures, including policies on job evaluation, salaries on appointment, market supplements and retention payments are available from the **university's HR website.**

Salaries for senior staff in grade 11 are determined following a review of individual performance and benchmarking data. The Remuneration Committee acknowledges that pay and reward can be a reputational issue and so, in setting policy, accepts that senior remuneration may be subject to media, government and public scrutiny and seeks to demonstrate transparency in the guiding principles around senior pay. The achievement of individual objectives, meeting role and professional expectations and modelling the required values and behaviour (as assessed during the PDR processes) is an essential part of the university's decision making regarding the remuneration of senior staff.

The Committee approved a revised Senior Staff Remuneration Policy in January 2023. The Policy is **available here.** The Policy recognises the need to recruit and retain high-performing, engaged and diverse staff in a competitive market, to ensure transparency and value for money and to uphold the principles of equal pay. The policy sets out the factors which are considered in setting and reviewing remuneration including:

- the strategic ambitions of the university;
- the size and complexity of the role;
- benchmarking data on remuneration of similar roles in other, comparable institutions;
- the annual pay award for the national pay spine set through the JNCHES framework;
- the performance of the individual and the institution in the year;
- the relationship between the pay of senior staff and the median for the institution; and
- affordability.

For all roles in its remit, the Committee took account of information on pay for comparable roles in other universities of similar size and type. This information is drawn from the annual survey of senior staff produced by the Universities and Colleges Employers Association (UCEA) and, where appropriate to the role, the IDR pay survey. The Vice-Chancellor and President's remuneration is benchmarked against the CUC's Vice-Chancellor Pay Survey.

Meetings in 2022/23

The Committee held four meetings during the year, on 15 September 2022, 3 November 2022, 2 February 2023 and 19 June 2023. Agenda items included:

- approval of starting salaries ranges for new senior leadership appointments including the DVC, PVCs, COO, CFO and Executive Dean of CEDPS (including interim appointments);annual pay reviews for the senior leadership team;
- annual pay review for the Vice-Chancellor;
- annual report on Vice-Chancellor pay ratios;

- annual report on loss of office payments;
- approval of revised Senior Staff Remuneration Policy;
- review of the Committee's Terms of Reference;
- briefing on the UCEA 2022-23 pay round consultation
- briefing on the 2022 and 2023 pay dispute and USS dispute and industrial action;
- receiving the annual report on gender, ethnicity and disability pay gaps and equal pay analysis;
- approval of new pay structure for Readers;
- approval of a new Staff Retention Policy;
- approval or retention payments for critical retention cases in CEDPS
- annual report on salaries on appointment;
- annual report on market supplement payments;
- annual report on retention payments;
- annual report on consultancy payments; and
- approval of private healthcare for business critical leadership appointments.

Remuneration of the Vice-Chancellor and President

The elements of the Vice-Chancellor's remuneration for the period 1st August 2022 until 31st July 2023 were:

Salary	£231,750
Benefits *(Including annual performance bonus, pension and healthcare)*	£77,435
Total	**£309,185**

The Vice-Chancellor's salary was 4.94 times the median for all staff (2021/22: 5.08); the total remuneration was 5.43 times the median for all staff (2021/22: 5.34).

The responsibilities of the Vice-Chancellor include:

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

In addition, Council expects and encourages the Vice-Chancellor to take a leading role in sector debates and nationally and to engage with and represent the university to stakeholders and partners in the UK and internationally.

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

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

The University now has c. 25,000 students. Over 7,000 are postgraduates and more than 7,000 come from outside the UK and EU. Income is c. £282m. There are c. 2,200 FTE staff. Teaching and research are enhanced and sustained by international as well as UK funding and by strong international partnerships with institutions in Brazil, the Middle East, China and South East Asia.

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

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

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

A new high-level internal facing University Strategy; Wielding Brunel's World-class Difference, has been developed over the past year with engagement from more than 1000 staff, students and council members in the compilation of the new strategy. The new strategy will be launch at the beginning of the 2023/24 academic year.

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

The Vice-Chancellor's current salary of £231,750 is just below the median benchmark group. His total remuneration is around the middle of the benchmark group. The Vice-Chancellor receives private healthcare and pension contributions. The Vice-Chancellor does not have University accommodation. The Remuneration Committee believes that the remuneration of the Vice-Chancellor is fully justified, taking account of the scale and nature of the institution, the challenges of the role, benchmarking information and performance over time.

Annex A:

Executive Board:

Vice-Chancellor & President

Provost (until 30 September 2022)

Vice-Provost, Research (until 30 September 2022)

Pro Vice-Chancellor, Research (from 1st October 2022)

Vice-Provost, Education (until 30th September 2022)

Pro Vice-Chancellor, Education (from 1st October 2022)

Vice Provost, International and Academic Partnerships (until 30th September 2022)

Pro Vice-Chancellor, International and Sustainability (from 1st October 2022)

Pro Vice-Chancellor, Enterprise and Employment (from 1st October 2022)

Executive Dean of College (College of Engineering, Design and Physical Sciences - CEDPS)

Executive Dean of College (College of Business, Arts and Social Sciences - CBASS)

Executive Dean of College (College of Health, Medicine and Life Sciences - CHMLS)

Chief Governance Officer

Chief Operating Officer

Director of Communications, Marketing and Student Recruitment (from 1st May 2023)

Director of Finance

Director of Human Resources

Director of Strategic Planning

Principle Strategic Advisor to the Vice-Chancellor (until 30th April 2023)

Chief of Staff (from 1st May 2023)

Other Senior Leadership Higher Earners:

Dean of Brunel Business School

Dean of Brunel Medical School

Chief Digital and Information Officer

Director of Brunel Innovation Centre

Director for Brunel Partners Academic Centre for Health Sciences

Director of Research Support and Development Office

Executive Director of Campus Services

Head of Legal Services

Registrar

Primary Responsibilities of Council

The principal responsibilities of the Council are as follows:

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.
2. To delegate authority to the Vice-Chancellor and President, as chief executive, for the academic, corporate, financial, estate and personnel management of the institution.
3. To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment.
4. To ensure the establishment and monitoring of procedures for handling internal grievances and for managing conflicts of interest.
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.
6. To establish processes to monitor and evaluate the performance and effectiveness of the Council itself.
7. To safeguard and promote the good name and values of the university, embracing the principles of corporate social responsibility.
8. To appoint the Vice-Chancellor and President as chief executive, to put in place suitable arrangements for monitoring his/her performance and, where deemed necessary, having responsibility to commence any disciplinary measures it considers appropriate including dismissal.
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.
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.
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.
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.
13. To make such provision as it thinks fit for the general welfare of students, in consultation with the Senate.
14. To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the university.
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.
16. To ensure the Vice-Chancellor and President has established a body within the university to assume responsibility for executive functions.

Statement Of Council's Responsibilities in Respect of the Financial Statements

The Council is responsible for preparing the financial statements in accordance with the requirements of the Office for Students' Terms and Conditions of Funding for Higher Education Institutions and Research England's Terms and Conditions of Research England Grant and applicable law and regulations.

It is required to prepare the group and parent university financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.* The Terms and Conditions of Funding further require the financial statements to be prepared in accordance with the requirements of the Accounts Direction dated 25 October 2019 issued by the Office for Students ('the Accounts Direction') and the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education.

The Council is required to prepare financial statements which give a true and fair view of the state of affairs of the group and of the parent university and of their income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows for that period. In preparing each of the group and parent university financial statements, the Council is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards and the 2019 Statement of Recommended Practice– Accounting for Further and Higher Education have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group and parent university's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless it either intends to liquidate the group or the parent university or to cease operations, or has no realistic alternative but to do so.

The Council is responsible for keeping adequate accounting records that are sufficient to show and explain the parent university's transactions and disclose with reasonable accuracy at any time the financial position of the parent university. It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The Council is also responsible for ensuring that:

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

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

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

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of Brunel University London ("the university") for the year ended 31 July 2023 which comprise the Consolidated and University Statement of Comprehensive Income and Expenditure, the Consolidated and University Balance Sheet, the Consolidated and University Statement of Changes in Reserves, and the Consolidated Cash Flow Statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the university's affairs as at 31 July 2023, and of the Group's and of the university's income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows, for the year then ended; and
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

Basis for opinion

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

Going concern

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

In our evaluation of the Council's conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and University's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

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

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

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

- Enquiring of the Council, the Audit & Risk Committee, Internal audit, and management and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud and the Group's channel for "whistleblowing", as well as whether they have knowledge and reading any relevant reports in relation to actual, suspected or alleged fraud, including assessing the impact of any findings on our audit;
- Reading meeting minutes of the Council, Audit & Risk Committee, Finance Committee, Remunerations Committee and Nominations Committee;
- Using analytical procedures to identify any unusual or unexpected relationships; and
- Consultation with our own forensic professionals regarding identified fraud risks and the design of audit procedures planned in response to these. This involved discussion between the engagement partner, engagement manager and the forensic professional.

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

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that income from research grants and contracts may be recorded in advance of the performance conditions associated with the grant being achieved. We also consider the risk that management may be in a position to make inappropriate accounting entries.

We also identified a fraud risk that the University made payments to overseas agents for services that may not have been delivered or at incorrect amounts due to fraud by suppliers.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management or other unexpected individuals and those posted with unusual accounts combinations;
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias;
- Evaluating a sample of research grant agreements to determine if income has been recognised in line with the University's accounting policies; and.
- Inspecting a sample of invoices from overseas agents to ensure there was appropriate support for services provided and they had been billed in line with agreed rates.

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

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the Council and other management (as required by auditing standards). We discussed with the Council and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related charities and higher education legislation), taxation legislation, ant-bribery and corruption legislation and pensions legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

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

We have reported separately on the Group's use of funds in the section of our audit report dealing with other legal and regulatory requirements.

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

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

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

Other information

The Council is responsible for the other information, which comprises the Strategic Report, Statement and Report on the university's Charitable Purpose and Public Benefit Activities, Corporate Governance Report, and Remuneration Committee Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

Council responsibilities

As explained more fully in its statement set out on page 24, 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 by the Accounts Direction dated 25 October 2019 issued by the Office for Students ('the Accounts Direction').

In our opinion, in all material respects:

- funds from whatever source administered by the Group or the university for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- income has been applied in accordance with the university's Statutes;
- funds provided by the Office for Students, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions; and
- the financial statements meet the requirements of the Accounts Direction.

Matters on which we are required to report by exception

We are required by the Accounts Direction to report to you where the university has an access and participation plan that has been approved by the Office for Students' director of fair access and participation and the results of our audit work indicate that the Group's and the university's expenditure on access and participation activities for the financial year disclosed in note 12 has been materially misstated.

We are also required by the Accounts Direction to report to you where the results of our audit work indicate that the Group's and the university's grant and fee income, as disclosed in note 5 to the financial statements, has been materially misstated.

We have nothing to report in these respects.

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

This report is made solely to the Council, in accordance with the Charters, Statutes, and Ordinances 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.

Dean Gibbs
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
London E14 5GL

14 December 2023

Consolidated and University Statement of Comprehensive Income and Expenditure Year Ended 31 July 2023

		Year ended 31 July 2023		Year ended 31 July 2022	
	Notes	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Income					
Tuition Fees and Education Contracts	2	182,926	182,926	172,203	172,203
Funding body grants	3	23,839	23,839	26,598	26,598
Research grants and contracts	4	18,719	18,719	22,372	22,372
Other Income	6	54,029	53,869	47,695	47,550
Investment income	7	2,216	2,216	225	225
Donations and endowments	8	644	783	2,256	2,345
Total income		**282,373**	**282,352**	**271,349**	**271,293**
Expenditure					
Staff costs	9	151,201	151,201	143,920	143,887
Movement in USS Deficit Recovery Provision	9&10	(6,156)	(6,156)	45,432	45,432
Other operating expenses	11	111,118	111,097	99,555	99,535
Depreciation and amortisation	14&15	17,382	17,382	17,833	17,833
Interest and other finance costs	10	4,650	4,650	5,257	5,257
Total expenditure		**278,195**	**278,174**	**311,997**	**311,944**
Surplus / (Deficit) before tax		**4,178**	**4,178**	**(40,648)**	**(40,651)**
Taxation		0	0	(5)	0
Surplus / (Deficit) for the year		**4,178**	**4,178**	**(40,653)**	**(40,651)**
Other comprehensive income					
Actuarial gain in respect of pension schemes	33	46,883	46,883	70,363	70,363
Change in fair value of hedging financial Instruments	21	20,059	20,059	19,973	19,973
Total comprehensive income for the year		**71,120**	**71,120**	**49,683**	**49,685**
Represented by					
Endowment comprehensive (expenditure) for the year		(30)	(30)	(166)	(166)
Restricted comprehensive income / (expenditure) for the year		(7)	(7)	3	3
Unrestricted comprehensive income for the year		51,098	51,098	29,873	29,875
Movement in cashflow hedge reserve for the year		20,059	20,059	19,973	19,973
		71,120	**71,120**	**49,683**	**49,685**

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

Consolidated and University Statement of Changes in Reserves – Year Ended 31 July 2023

	Income and Expenditure Reserve			Cashflow Hedge Reserve	Total
	Endowment	Restricted	Unrestricted		
	£'000	£'000	£'000	£'000	£'000
Consolidated					
Balance at 1 August 2021	**1,735**	**185**	**184,085**	**(41,520)**	**144,485**
Surplus / (deficit) for the year	(166)	3	(40,490)	0	(40,653)
Other comprehensive expenditure	0	0	70,363	0	70,363
Movement in hedge reserve	0	0	0	19,973	19,973
Total comprehensive income / (expenditure) for the year	(166)	3	29,873	19,973	49,683
Balance at 1 August 2022	**1,569**	**188**	**213,958**	**(21,547)**	**194,168**
Surplus / (deficit) for the year	(30)	(7)	4,215	0	4,178
Other comprehensive income	0	0	46,883	0	46,883
Movement in hedge reserve	0	0	0	20,059	20,059
Total comprehensive income / (expenditure) for the year	**(30)**	**(7)**	**51,098**	**20,059**	**71,120**
Balance at 31 July 2023	**1,539**	**181**	**265,056**	**(1,488)**	**265,288**

	Income and Expenditure Reserve			Cashflow Hedge Reserve	Total
	Endowment	Restricted	Unrestricted		
	£'000	£'000	£'000	£'000	£'000
University					
Balance at 1 August 2021	**1,735**	**185**	**184,083**	**(41,520)**	**144,483**
Surplus / (deficit) for the year	(166)	3	(40,488)	0	(40,651)
Other comprehensive expenditure	0	0	70,363	0	70,363
Movement in hedge reserve	0	0	0	19,973	19,973
Total comprehensive income / (expenditure) for the year	(166)	3	29,875	19,973	49,685
Balance at 1 August 2022	**1,569**	**188**	**213,958**	**(21,547)**	**194,168**
Surplus / (deficit) for the year	(30)	(7)	4,215	0	4,178
Other comprehensive income	0	0	46,883	0	46,883
Movement in hedge reserve	0	0	0	20,059	20,059
Total comprehensive income / (expenditure) for the year	**(30)**	**(7)**	**51,098**	**20,059**	**71,120**
Balance at 31 July 2023	**1,539**	**181**	**265,056**	**(1,488)**	**265,288**

The accompanying notes form part of these financial statements.

Consolidated and University Balance Sheet 31 July 2023

	Notes	As at 31 July 2023 Consolidated £'000	As at 31 July 2023 University £'000	As at 31 July 2022 Consolidated £'000	As at 31 July 2022 University £'000
Non-current assets					
Intangible Assets	14	644	644	875	875
Tangible Assets	15	406,147	406,147	405,296	405,296
Pension Asset	18	16,665	16,665	0	0
Investments	16	0	0	33	33
		423,456	**423,456**	**406,204**	**406,204**
Current assets					
Stock	17	75	75	67	67
Trade and other receivables	18	31,878	31,878	38,279	38,279
Investments	19	58,000	58,000	35,000	35,000
Cash and cash equivalents	26	22,338	22,319	43,658	43,624
		112,291	112.272	117,004	116,970
Less: Creditors: amounts falling due within one year	20	(69,746)	(69,727)	(75,338)	(75,304)
Net current assets		**42,545**	**42,545**	**41,666**	**41,666**
Total assets less current liabilities		**466,001**	**466,001**	**447,870**	**447,870**
Creditors: amounts falling due after more than one year	22	(125,856)	(125,856)	(146,582)	(146,582)
Provisions					
Pension provisions	23	(74,857)	(74,857)	(107,120)	(107,120)
Total net assets		**265,288**	**265,288**	**194,168**	**194,168**
Restricted Reserves					
Income and expenditure reserve – endowment reserve	24	1,539	1,539	1,569	1,569
Income and expenditure reserve – restricted reserve	25	181	181	188	188
Unrestricted Reserves					
Income and expenditure reserve – unrestricted		265,056	265,056	213,958	213,958
Cash-flow Hedge reserve	21	(1,488)	(1,488)	(21,547)	(21,547)
Total Reserves		**265,288**	**265,288**	**194,168**	**194,168**

The accompanying notes form part of these financial statements.
The financial statements were approved by the Governing Body on 22 November 2023 and were signed on its behalf on that date by:

Professor Andrew Jones, Vice-Chancellor and President

Professor Stuart Palmer, Chair of Council

Consolidated Cash-Flow Statement Year ended 31 July 2023

	Notes	July 2023 £'000	July 2022 £'000
Cash flow from operating activities			
Surplus / (Deficit) for the year		4,178	(40,653)
Adjustment for non-cash items			
Depreciation and amortisation	14&15	17,382	17,833
(Increase) in stock	17	(8)	(4)
(Increase) in debtors	18	(10,264)	(14,120)
(Decrease) / Increase in creditors	20&22	(5,781)	7,522
Increase in pension provision	33	14,620	53,266
Impairment of Fixed Assets and Fixed Asset Investments		142	0
Adjustment for investing or financing activities			
Investment income	7	(2,216)	(225)
Interest payable	10	3,780	3,878
Endowment income	24	(402)	(295)
Capital Grant Income		(2,553)	(4,980)
Net cash inflow from operating activities		**18,878**	**22,222**
Cash flows from investing activities			
Capital Grant Receipts		4,147	5,550
New term deposits		(99,200)	(50,000)
Maturing term deposits		76,200	47,000
Investment income		2,216	225
Payments made to acquire fixed assets		(18,294)	(22,658)
Cash inflows from investing activities		**(34,931)**	**(19,883)**
Cash flows from financing activities			
Interest paid	10	(3,780)	(3,878)
Endowment cash received	24 & 25	402	295
Repayments of amounts borrowed	20	(1,889)	(1,801)
Cash inflows from financing activities		**(5,267)**	**(5,384)**
(Decrease) in cash and cash equivalents in the year		**(21,320)**	**(3,045)**
Cash and cash equivalents at beginning of the year	26	43,658	46,703
Cash and cash equivalents at end of the year	26	**22,338**	**43,658**

The accompanying notes form part of these financial statements.

Notes to the Accounts - Statement of Accounting Policies for the year ended 31 July 2023

1.1 Accounting convention

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

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

1.2 Basis of Preparation

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

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

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

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

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

- A number of scenarios have been considered based on differing outcomes in terms of potential reductions in student recruitment and retention, increased utility costs, declines in residential and research income and additional pay awards for University staff. This scenario-based modelling has shown that the university has sufficient capacity to continue as a going concern by employing expenditure control measures appropriate to each scenario.
- Proposed capital expenditure plans have also been reviewed in detail and this exercise has also shown that the Council could preserve the university's cash position going forward by re-phasing non-essential capital works across future years.
- The university has also confirmed with its current lenders that the relevant covenant conditions can still be met over the next 12-18-month period.

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

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

1.3 Exemptions under FRS102

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

1.4 Basis of consolidation

The consolidated financial statements include the university and all its subsidiaries for the financial year to 31 July 2023.

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

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

1.5 Income recognition

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

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

Investment income is credited to the Consolidated Statement of Comprehensive Income 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 as income over the periods in which the university recognises the related costs for which the grant is intended to compensate. Where part of a government grant is deferred it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

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

Donations and endowments

Non-exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor imposed restrictions are recognised in income when the university is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

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

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

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

a) Restricted donations - the donor has specified that the donation must be used for a particular objective.

b) Unrestricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the university.

c) Restricted expendable endowments - the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the university has the power to use the capital.

d) Restricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

Donations of tangible assets are included within income. Paragraph PBE 34.73 (b) of FRS102 requires income from donations of fixed assets to be measured at the fair value of the asset.

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.

1.6 Accounting for retirement benefits

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

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

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

Defined Contribution Plan

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

Multi-employer schemes

Where an institution is unable to identify its share of the underlying assets and liabilities in a multi-employer scheme on a reasonable and consistent basis, it accounts as if the scheme were a defined contribution scheme. Where the institution has entered into an agreement with such a multi-employer scheme that determines how the institution will contribute to a deficit recovery plan, the institution recognises a liability for the contribution payable that arise from the agreement, to the extent that they relate to the deficit, and the resulting expense is recognised in expenditure.

The institution participates in the Universities Superannuation Scheme. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the institution therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the profit and loss account.

Defined Benefit Schemes

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

The net liability is recognised in the balance sheet in respect of each scheme and is the present value of the defined benefit obligation at the reporting date less the fair value of the plan assets at the reporting date.

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.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts, together with the return on plan assets less amounts included in net interest, are disclosed as actuarial gains and losses. The cost of the defined benefit plan, recognised in expenditure as staff costs, except where included in the cost of an asset, comprises the increase in pension benefit liability arising from employee service during the period and the cost of plan introductions, benefit changes, curtailments and settlements. The net interest cost is calculated by applying the discount rate to the net liability. This cost is recognised in expenditure as a finance cost.

Further detail is provided on the specific pension schemes in note 33 to the accounts.

1.7 Employment benefits

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

1.8 Finance leases

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

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The university does not currently have any leases that would be classified as finance leases.

1.9 Operating leases

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

1.10 Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the time of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in Surplus or Deficit. In 22/23 this was less than £100k.

1.11 Property, plant and equipment

Land and buildings

Land and buildings are capitalised at cost on initial recognition, or in the case of buildings for which the cost cannot readily be ascertained, at valuation. After initial recognition land and buildings are subsequently measured at cost/deemed cost less accumulated depreciation and accumulated impairment losses. Land had been revalued to fair value on the date of transition to the 2015 FE HE SORP, and is measured at deemed cost, being the revalued amount at the date of the revaluation.

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. Buildings are split into three component parts: structure, fit-out and plant and machinery, the economic life of which is determined by architects' certificate. Each component will be depreciated on a straight line basis over its expected useful economic life. The sum of the component parts' economic life will not exceed fifty years. Expenditure relating to subsequent replacement of components is capitalised as incurred.

Improvements to leasehold premises are amortised over the period of the lease.

Buildings under construction are accounted for at cost, based on the value of architects' certificates and other direct costs incurred to 31 July. They are not depreciated until the accounting period in which they are brought into use. Site clearance costs are only capitalised as part of enabling works for the construction of a new asset and in this case they are included in the costs of the building and will be depreciated over the life of the new asset. Site clearance costs alone (i.e. with no subsequent construction) will be expensed in the year they are incurred.

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

A review for impairment of land and buildings is carried out annually and if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable, whether through the economic benefits of use or through disposal, the asset value will be reduced accordingly and recorded as an impairment.

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

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

Equipment

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

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

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

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

Furniture and fittings installed as part of a major building construction, rebuild or renewal and exceeding £50,000 in total may be capitalised as part of the building project and written off over 3 years.

Equipment in the course of construction is not depreciated.

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

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

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

Borrowing costs

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

1.12 Intangible assets

Intangible assets acquired or developed are initially recognised at cost. Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment. Software that is purchased or developed with a cost of more than £100k is capitalised, as long as it is used in a live environment.

Intangible assets are amortised on a straight-line basis over their estimated useful lives – for example software either acquired or developed is depreciated over five years or its expected useful life if shorter.

Intangible assets are subject to an assessment whether there are any indicators of impairment at each reporting date. If such indicators exist, the institution will perform an impairment review.

1.13 Heritage assets

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

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

Works of art and other valuable artefacts acquired since 1 August 2007 and valued at over £50,000 have been capitalised and recognised at the cost or value of the acquisition, where such a cost or valuation is reasonably obtainable. Heritage assets are not depreciated as their long economic life and high residual value mean any depreciation would not be material. The assets are subject to an annual impairment review in accordance with applicable accounting standards.

Where heritage assets have not been capitalised, details of the nature and age of these assets are disclosed.

1.14 Investments

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

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

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

1.15 Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell.

1.16 Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty.

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

1.17 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 probable 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.

1.18 Taxation

The university is an exempt charity within the meaning of Part 3 of the Charities Act 2011. It is therefore a charity within the meaning of Para

1 of schedule 6 to the Finance Act 2010 and accordingly, the university is potentially exempt from UK corporation taxation in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

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

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

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

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

1.19 Financial Instruments

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

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

Financial Assets

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

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

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

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

Financial liabilities

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

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

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within 1 year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Derivatives are not basic financial instruments. Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value at the reporting date.

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

In December 2021, the floating rate referred to in both the existing loans and their related derivatives was simultaneously changed from LIBOR to SONIA with the same loan basis points as previously. The substance of the combined loans and linked derivatives is to eliminate all floating rate risk and to return a fixed interest charge into the SOCI. The change of floating rate had no impact on the SOCI of Brunel.

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

1.20 Reserves

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

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

1.21 Statement of Accounting Estimates and Judgements

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

Remaining Economic Lives of Buildings

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

Fair Value of SWAPs and their Effectiveness as a Hedged Instrument

The university took out 3 SWAPs to mirror 3 loans which charged interest at LIBOR plus 22 basis points; the floating rate referred to in the loans and their related derivatives subsequently transitioned to SONIA in December 2021 . The effect for the university was to translate variable interest rates into a fixed rate by a 100% effective hedging instrument. The university measures the current "out of the market" position by comparing the current market value of the SWAP to the discounted fixed interest repayments over the life of the SWAP using Thompson Reuters software. The "out of the market" position is reflected in the Balance Sheet as the fair value of the hedged instruments.

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

LGPS Pension Liability

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

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

In deciding whether a pension surplus can be recognised, management compare the pension surplus against the surplus recognition that historically applied under FRS17 where the net present value of future service costs (as measured by FRS102) is calculated and a surplus is only recognised to this maximum ceiling.

USS Deficit Recovery Program Liability

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as that provided by USS. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund the deficit results in the recognition of a liability for the contribution payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense is recognised in the SOCI in accordance with section 28 of FRS 102. The university is satisfied that the scheme provided by USS meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

In order to calculate the pension liability associated with the USS scheme the university used a model commissioned by the British Universities Finance Directors Group (BUFDG) and discount rates also suggested by BUFDG. The two assumptions that must be determined by management are the level of salary inflation to be applied and the anticipated increase or decrease in the number of staff who are members of the USS scheme. For the purposes of the 2022/23 calculation, the rate of salary inflation was assumed to be 5% for 2023/24 to 2026/27, dropping to 3% thereafter. Staff numbers in future years agreed to the budget produced for July 2023 and were assumed to increase by 1% in 2023/24 and thereafter.

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

Note 23 provides a sensitivity analysis of these assumptions and the university is satisfied that these assumptions are not a source of material uncertainty.

Access and Participation Disclosure

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


Community Conversations
Community Conversations
Brunel University London
Community Conversations
Join us in the Kate Fassnidge Memorial Hall for a friendly exploration of how Brunel's latest research has an impact on you, Uxbridge and your community, with lots of opportunity for questions.
Doors open at 6.30pm for a 7pm start on Mondays 9, 16, 23 and 30 of May.
Monday 9 May
Monica Degen
Reader in Urban Cultural Sociology
Uxbridge Reimagined; researching the High Street
Discussing the sense of place and the meanings that Uxbridge High Street has for local people
Monday 16 May
Danae Manika
Chair of Marketing and Business Education
Reducing Food Waste
How we can change our attitudes to food recycling
Monday 23 May
Monday 30 May
Therapy

Notes to the Accounts for the year ended 31 July 2023 (continued)

	Notes	Year ended 31 July 2023		Year ended 31 July 2022	
		Consolidated	University	Consolidated	University
		£'000	£'000	£'000	£'000
2. Tuition fees and education contracts					
Full-time home and EU students		74,813	74,813	85,602	85,602
Full-time international students		96,959	96,959	73,674	73,674
Part-time students		5,039	5,039	5,922	5,922
NHS Education Contract		507	507	2,861	2,861
Short Course Fees		2,567	2,567	1,837	1,837
Other Fees		3,041	3,041	2,307	2,307
		182,926	**182,926**	**172,203**	**172,203**
3. Funding body grants					
Recurrent grant					
Office for Students		7,041	7,041	7,069	7,069
Research England		12,159	12,159	12,740	12,740
Other Disability and Support Grants		430	430	516	516
Capital grant released in year		2,454	2,454	4,840	4,840
Specific grants					
West Focus		1,651	1,651	1,420	1,420
Other funding body grants		104	104	13	13
		23,839	**23,839**	**26,598**	**26,598**
4. Research grants and contracts					
Research councils		8,240	8,240	10,357	10,357
Research charities		1,173	1,173	1,475	1,475
Government (UK and overseas)		7,043	7,043	9,422	9,422
Industry and commerce		696	696	146	146
Other		1,567	1,567	972	972
		18,719	**18,719**	**22,372**	**22,372**
5. Grant and fee income					
The source of grant and fee income included in notes 2 to 4 is as follows:					
Grant Income from the OFS		9,495	9,495	25,165	25,165
Grant income from other bodies		14,344	14,344	1,433	1,433
Fee income from research awards (exclusive of VAT)		18,719	18,719	22,372	22,372
Fee income from non-qualifying courses (exclusive of VAT)		6,115	6,115	7,005	7,005
Fee income for taught awards (exclusive of VAT)		176,811	176,811	165,198	165,198
		225,484	**225,484**	**221,173**	**221,173**

	Notes	Year ended 31 July 2023 Consolidated £'000	Year ended 31 July 2023 University £'000	Year ended 31 July 2022 Consolidated £'000	Year ended 31 July 2022 University £'000
6. Other income					
Residences, catering and conferences		42,768	42,768	36,273	36,273
Other income		11,261	11,101	11,422	11,277
		54,029	**53,869**	**47,695**	**47,550**
7. Investment Income					
Interest on term deposits		2,216	2,216	225	225
		2,216	**2,216**	**225**	**225**
8. Donations and endowments					
Unrestricted donations		232	371	1,961	2,050
Income on endowment	24	402	402	280	280
Income on restricted reserves	25	10	10	15	15
		644	**783**	**2,256**	**2,345**
9. Staff costs					
Salaries		114,140	114,140	105,430	105,404
Social security costs		12,364	12,364	11,469	11,466
Other pension costs		24,697	24,697	27,021	27,017
		151,201	151,201	143,920	143,887
Movement on USS provision on pensions		(8,831)	(8,831)	45,121	45,121
		142,370	**142,370**	**189,041**	**189,008**

Total remuneration of the head of the institution	**2023 £'000**	**2022 £'000**
August 1 2022 to December 31 2022		
Salary	97	132
Holiday paid on leaving service	0	34
Private Medical Insurance	5	2
Pension contributions to USS	21	6
	123	**174**
1 January 2023 to 31 July 2023		
Salary	147	131
Private Medical Insurance	10	4
Pension contributions to USS	29	28
	186	**163**

The present Vice-Chancellor's basic salary is 4.9 times (5.1 times July 22) the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid to staff. The Vice-Chancellor's total remuneration is 5.6 times (5.3 times July 22) the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration of its staff. The university has included the costs of employees who are required to be included in real-time reporting to HMRC and excluding those who are not.

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

The number of staff with a basic salary of over £100,000 per annum has been included below. The table excludes employer's pension contributions and all performance related elements; there was 1 performance related benefit in 2023 £11k (2022 nil).

	Year ended July 2023	Year ended July 2022
Basic salary per annum	**No.**	**No.**
£100,000 to £104,999	17	18
£105,000 to £109,999	16	11
£110,000 to £114,999	5	2
£115,000 to £119,999	6	5
£120,000 to £124,999	7	4
£125,000 to £129,999	3	3
£130,000 to £134,999	4	1
£135,000 to £139,999	0	0
£140,000 to £144,999	2	0
£145,000 to £149,999	0	1
£150,000 to £154,999	0	1
£155,000 to £159,999	0	2
£160,000 to £164,999	2	0
£165,000 to £169,999	1	1
£170,000 to £174,999	0	0
£175,000 to £179,999	0	1
£180,000 to £184,999	0	2
£185,000 to £189,999	3	0
£190,000 to £194,999	0	1
£195,000 to £199,999	1	1
£200,000 to £204,999	1	0
£230,000 tO £234,999	1	0
	69	**54**

Average full-time employee (fte) staff numbers by major category:	**No.**	**No.**
Academic	967	933
Administrative	426	411
Professional	547	538
Ancillary, Maintenance, Miscellaneous	116	114
Technical	81	77
Student Work Placements	30	36
Hourly Paid Lecturers and Others	73	64
	2,240	**2,173**

Severance payments

There was £690k combined compensation for loss of office paid to 32 staff members in 2022/23 (2021/22 £638k, 32 staff members). Of this total £265k (21/22 £207k) was due to payments in lieu of notice.

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

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the university. Staff costs include compensation paid to key management personnel. Brunel considers the 15 (2022 - 14) members of the Executive Board to constitute the key management of the university. Compensation includes salary, benefits and employer's pension contribution.

	Year Ended July 2023	Year Ended July 2022
	£'000	£'000
Key management personnel compensation	**2,552**	**2,404**

Council members

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

The total expenses paid to or on behalf of 12 independent Council members was £0 (2022 - £168 to 11 Council members). This represents travel and subsistence expenses incurred in attending Council, Committee meetings and Charity events in their official capacity.

Related parties

During the year the university entered into transactions in the ordinary course of business with other related parties.

There were costs incurred in 22-23 related to the Medical School for student placement costs totalling £132k to the London Northwest Healthcare NHS Trust with whom the Deputy Chair of Council has an interest.

Income of £37k was receivable in 2022/23 from Ceres Power Ltd where one of the Independent Council members is the Chief Operating Officer. This income related to fees charged by the Experimental Techniques Centre at Brunel University for laboratory analysis of materials.

The University is a member of the University and College Employers Association (UCEA) and spent £28k on membership and various attendances at workshops. The Chair of Council is a Trustee of the UCEA. £2k was paid to the Campaign for Science and Engineering for membership. The VC is a trustee of the organisation. £1k was spent for accommodation costs at the "Electrostatics 2023" conference at the Institute of Physics (IoP). A council member at Brunel is also the Honorary Treasurer and Council Member at the IoP.

		Year ended 31 July 2023		Year ended 31 July 2022	
	Notes	Consolidated	University	Consolidated	University
		£'000	£'000	£'000	£'000
10. Interest and other finance costs					
Loan Interest		3,780	3,780	3,878	3,878
Net charge on pension scheme other	33	870	870	1,379	1,379
Interest excluding USS Interest		**4,650**	**4,650**	**5,257**	**5,257**
USS Deficit Recovery program Interest	33	2,675	2,675	311	311
		7,325	**7,325**	**5,568**	**5,568**

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	**University**	**Consolidated**	**University**
	£'000	**£'000**	**£'000**	**£'000**
11. Analysis of total expenditure by activity				
Academic Departments	106,633	106,633	101,503	101,503
Academic Services	31,399	31,399	31,805	31,805
Research Grants and Contracts	24,054	24,054	28,413	28,413
Residences, catering and conferences & Science Park	25,684	25,663	23,032	22,979
Premises	35,703	35,703	32,874	32,874
Administration	48,725	48,725	39,876	39,876
USS Pension Recovery Program	0	0	46,916	46,916
Other Services	5,997	5,997	7,578	7,578
	278,195	**278,174**	**311,997**	**311,944**
Other operating expenses include:				
Fees payable to the auditor for the audit of the university's Financial Statements	132	132	75	75
Audit of the financial statements of subsidiaries	8	0	5	0
Audit related assurance services	20	20	18	18

Note: the above figures are stated net of VAT.

Analysis of total expenditure to show Total Expenses without Donor Restrictions for US GAAP purposes (see note 34)				
Total Operational expenditure non-USS pension related	284,314	284,293	266,407	266,349
Taxation Reclassification	0	0	(5)	0
USS Deficit Recovery expenditure	(6,156)	(6,156)	45,432	45,432
Donor restriction related	37	37	163	163
	278,195	**278,174**	**311,997**	**311,944**

	Year Ended July 2023 £'000	**Year Ended July 2022 £'000**
12. Access and participation		
Access Investment	941	874
Financial Support	1,845	1,778
Disability Support (excluding expenditure included in the two categories above)	865	869
Research and Evaluation	77	90
	3,728	**3,611**

The costs disclosed above include expenditure on staff costs of £1.5m (2022 £1.5m). These costs are included within the total staff costs disclosed in note 9 above.

The university's expenditure on the four strands of the Access and Participation activity is broadly in line with the commitments made in the published Access and Participation plan.

The Access and Participation plan can be found **here**.

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
13. Taxation				
Current tax expense	0	0	2	0
Deferred tax expense	0	0	3	0
	0	**0**	**5**	**0**

	2023	2023	2022	2022
	Consolidated	University	Consolidated	University
14. Intangible assets	£'000	£'000	£'000	£'000
Software				
Opening Balance	875	875	70	70
Additions	0	0	1,036	1,036
Amortisation charge for the year	(231)	(231)	(231)	(231)
	644	**644**	**875**	**875**

	2023	2023	2022	2022
	Consolidated	University	Consolidated	University
15. Fixed assets	£'000	£'000	£'000	£'000
Tangible assets comprise:				
Property, plant and equipment	406,147	406,147	405,296	405,296
	406,147	**406,147**	**405,296**	**405,296**

	Freehold Land and Buildings	Plant and Machinery	Assets in the Course of Construction	Total
Consolidated	£'000	£'000	£'000	£'000
Cost				
At 1 August 2022	534,223	92,920	11,205	638,348
Additions	0	1,348	16,763	18,111
Impairment	(1,087)	0	0	(1,087)
Disposal	0	(1,334)	0	(1,334)
Transfers	1,022	3,740	(4,762)	0
At 31 July 2023	**534,158**	**96,674**	**23,206**	**654,038**
Depreciation				
At 1 August 2022	155,627	77,425	0	233,052
Charge for the year	12,005	5,146	0	17,151
Impairment	(978)	0	0	(978)
Disposal	0	(1,334)	0	(1,334)
At 31 July 2023	**166,654**	**81,237**	**0**	**247,891**
Net book value				
At 31 July 2023	**367,504**	**15,437**	**23,206**	**406,147**
At 31 July 2022	378,596	15,495	11,205	405,296

15. Fixed assets (continued)

University	**Freehold Land and Buildings £'000**	**Plant and Machinery £'000**	**Assets in the Course of Construction £'000**	**Total £'000**
Cost				
At 1 August 2022	534,223	92,920	11,205	638,348
Additions	0	1,348	16,763	18,111
Impairment	(1,087)	0	0	(1,087)
Disposal	0	(1,334)	0	(1,334)
Transfers	1,022	3,740	(4,762)	0
At 31 July 2023	**534,158**	**96,674**	**23,206**	**654,038**
Depreciation				
At 1 August 2022	155,627	77,425	0	233,052
Charge for the year	12,005	5,146	0	17,151
Impairment	(978)	0	0	(978)
Disposal	0	(1,334)	0	(1,334)
At 31 July 2023	**166,654**	**81,237**	**0**	**247,891**
Net book value				
At 31 July 2023	**367,504**	**15,437**	**23,206**	**406,147**
At 31 July 2022	378,596	15,495	11,205	405,296

At 31 July 2023 freehold land and buildings included £124.4m (2022 – £124.4m) in respect of freehold land which is not depreciated.

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

Heritage assets

There have been no donations of heritage assets in the past 5 years. There was an acquisition of a statue of Brunel, purchased for £133k but no other acquisitions in the past 5 years. There are no pre 2007 heritage assets included in the Financial Statements at value.

16. Non-Current Investments

	2023 Consolidated £'000	**2023 University £'000**	**2022 Consolidated £'000**	**2022 University £'000**
Other investments	0	0	33	33
	0	**0**	**33**	**33**
At 1 August 2022	0	0	33	33
At 31 July 2023	**0**	**0**	**33**	**33**

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
17. Stock				
General consumables	75	75	67	67
	75	**75**	**67**	**67**

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
18. Trade and other receivables				
Amounts falling due within one year:				
Research grant receivables	2,617	2,617	7,074	7,074
Other trade receivables	15,791	15,789	14,576	14,576
Amounts due from Group Undertakings	0	2	0	0
Prepayments and accrued income	13,470	13,470	16,629	16,629
	31,878	**31,878**	**38,279**	**38,279**
Amounts falling due after more than one year				
Pension Surplus	16,665	16,665	0	0
Total Debtor	**48,543**	**48,543**	**38,279**	**38,279**

The LPFA pension scheme described more fully in note 33 is reflecting a surplus where the university will obtain future benefits with the reduction in contribution rates payable.

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
19. Current Investments				
Short term deposits	58,000	58,000	35,000	35,000
	58,000	**58,000**	**35,000**	**35,000**

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 2023 the weighted average interest rate of these fixed rate deposits was 4.89% (2022: 1.51%) per annum and the weighted average period for which the interest rate is fixed on these deposits was 131 (2022: 158) days. The fair value of these deposits was not materially different from the book value.

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
20. Creditors: amounts falling due within one year				
Secured loans	1,971	1,971	1,889	1,889
Trade payables	16,061	16,058	27,099	27,564
Social security and other taxation payable	3,277	3,269	3,332	3,320
Accruals	13,215	13,207	16,043	15,556
Deferred income	35,222	35,222	26,975	26,975
	69,746	**69,727**	**75,338**	**75,304**

20. Creditors: amounts falling due within one year (continued)

Deferred income

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

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	**University**	**Consolidated**	**University**
	£'000	**£'000**	**£'000**	**£'000**
Other Income	26,160	26,160	11,432	11,432
Research grants received on account	6,521	6,521	13,292	13,292
Capital Grants from HEFCE and other Government sources < 1 year	2,541	2,541	2,251	2,251
Income in Advance < 1 year	35,222	35,222	26,975	26,975
Capital Grants from HEFCE and other Government sources > 1 year	48,644	48,644	47,340	47,340
Total income in Advance	**83,866**	**83,866**	**74,315**	**74,315**

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 (subsequently transitioned to SONIA in December 2021). The currency of all of these is sterling and the interest is paid in arrears on the last day of its interest period, which is semi-annual. The interest periods have start/end dates of 7 June and 7 December with a final end date on all 3 facilities being 7 December 2040 and with a final repayment due for the outstanding balance. Brunel has written confirmation that the loans can be renegotiated to extend to 7 December 2045 on the same payment profile as the SWAPs taken out at the same time.

The University set up three sterling SWAPs with Bank of America Merrill Lynch, being £50m at 4.588% on 31 October 2005, £25m at 4.5843% on 30 September 2006 and £25m at 4.5823% on 30 September 2007. Brunel pays interest on each SWAP in arrears on the last day of the interest period. Both the fixed and floating rate payment schedules have payment dates of 7 June and 7 December. All three SWAPs have an end date of 7 December 2045. The three SWAPs were novated to Lloyds in June 2019 on the same terms. There is no enforceable break by the floating rate party provided the University maintains positive discretionary reserves and is not deemed at higher risk by the OfS.

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

	2023	2022
	£'000	**£'000**
Brought forward 1 August	21,547	41,520
Change in fair value of hedging instrument recognised in Other Comprehensive Income in year (100% effective)	(20,059)	(19,973)
Carried forward 31 July	**1,488**	**21,547**

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, following confirmation from Lloyds Bank that they are willing to negotiate an extension prior to 7 December 2040. 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 SONIA 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.

The full value of the loans and the out of market position of the SWAPs are secured against several specific halls of residence with a NBV of £45m.

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

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Deferred income	48,644	48,644	47,340	47,340
Derivatives	1,488	1,488	21,547	21,547
Secured loans	75,724	75,724	77,695	77,695
	125,856	**125,856**	**146,582**	**146,582**
Analysis of secured and unsecured loans:				
Due within one year or on demand (Note 20)	1,971	1,971	1,889	1,889
Due within one and two years	2,076	2,076	1,971	1,971
Due between two and five years	9,355	9,355	8,922	8,922
Due in five years or more	64,293	64,293	66,802	66,802
Due after more than one year	75,724	75,724	77,695	77,695
Total secured and unsecured loans	**77,695**	**77,695**	**79,584**	**79,584**
Secured loans repayable by 2040	77,695	77,695	79,584	79,584
	77,695	**77,695**	**79,584**	**79,584**

	Lender	Amount £'000	Term	Interest rate %	Borrower
The secured loans are the following:					
	Lloyds	38,591	2040	4.59	University
	Lloyds	19,641	2040	4.58	University
	Lloyds	19,463	2040	4.58	University
		77,695			

23. Provisions for liabilities

	Pension enhancement on termination	Obligation to fund deficit on USS Pension	LGPS Defined Benefit Obligations (Note 30)	Total Pension Provisions
	£'000	£'000	£'000	£'000
Consolidated				
At 1 August 2022	898	80,338	25,884	107,120
Utilised in year	(223)	(6,156)	(25,884)	(32,263)
USS Scheme Repayment Plan contribution change	0	0	0	0
At 31 July 2023	**675**	**74,182**	**0**	**74,857**
University				
At 1 August 2022	898	80,338	25,884	107,120
Utilised in year	(223)	(6,156)	(25,884)	(32,263)
USS Scheme Repayment Plan contribution change	0	0	0	0
At 31 July 2023	**675**	**74,182**	**0**	**74,857**

23. Provisions for liabilities (continued)

Pension enhancement

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

	Consolidated
Discount rate	5.32 %
Inflation	3.42 %

USS deficit

The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arises from the contractual obligation with the USS to make deficit payments in accordance with the deficit recovery plan. In calculating this provision, management have estimated future staff levels within the USS scheme for the duration of the contractual obligation and salary inflation. Key assumptions are set out below and further information is provided in note 34

The major assumptions used to calculate the provision are

	2023	2022
Discount rate	5.49%	3.33%
Salary growth	5.00%	4.00%

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

	Approximate impact £'000
0.5%pa decrease in discount rate	2,774
0.5%pa increase in salary inflation over duration	2,803
0.5%pa increase in salary inflation for 1 year only	353
0.5% increase in staff changes over duration	2,710
0.5% increase in staff changes year 1 only	355
1.0% increase in deficit contributions	11,784

LPFA Pension

The LPFA Pension scheme was reflecting a surplus at July 2023 and has been reflected as an asset. A "Net Asset Ceiling" was calculated. The current surplus is below this and is thus recorded in full in note 18.

24. Endowment Reserves

	Restricted Permanent endowments £'000	Expendable endowments £'000	Total 2023 £'000	Total 2022 £'000
Restricted net assets relating to endowments are as follows:				
Balances at 1 August 2022				
Capital	445	946	1,391	1,557
Accumulated income	178	0	178	178
	623	**946**	**1,569**	**1,735**
New endowments	0	402	402	280
Expenditure	(1)	(431)	(432)	(446)
	(1)	(29)	(30)	(166)
At 31 July 2023	**622**	**917**	**1,539**	**1,569**

24. Endowment Reserves (continued)

	Restricted Permanent endowments £'000	Expendable endowments £'000	Total 2023 £'000	Total 2022 £'000
Represented by:				
Capital	445	917	1,362	1,391
Accumulated income	177	0	177	178
At 31 July 2023	**622**	**917**	**1,539**	**1,569**
Analysis by type of purpose:				
Lectureships	0	13	13	13
Scholarships and bursaries	469	390	859	875
Prize Funds	153	116	269	277
General	0	398	398	404
	622	**917**	**1,539**	**1,569**
Analysis by asset:				
Cash & cash equivalents			1,539	1,569
Total Assets			**1,539**	**1,569**

25. Restricted Reserves

	2023 Total £'000	2022 Total £'000
Reserves with restrictions (all donations) are as follows:		
Balances at 1 August 2022	188	185
New donations	10	15
Expenditure	(17)	(12)
	(7)	3
At 31 July 2023	**181**	**188**
Analysis of other restricted funds/donations by type of purpose:		
Scholarships and bursaries	21	21
Prize funds	15	16
General	145	151
	181	**188**

26. Consolidated reconciliation of net debt

	2023 Total £'000	2022 Total £'000
Net debt 1 August 2022	**57,473**	**76,202**
Movements in cash and cash equivalents	21,320	3,045
Other non-cash changes	(21,948)	(21,774)
Net Debt 31 July 2023	**56,845**	**57,473**
Change in net debt	**(628)**	**(18,729)**

26. Consolidated reconciliation of net debt (continued)	**2023 Total £'000**	**2022 Total £'000**
Analysis of net debt:		
Cash and cash equivalents	**22,338**	**43,658**
Borrowings: amounts falling due within one year		
Secured loans	**1,971**	**1,889**
Borrowings: amounts falling due after more than one year		
Derivatives	1,488	21,547
Secured loans	75,724	77,695
Total	**77,212**	**99,242**
Net Debt 31 July 2023	**56,845**	**57,473**

		31 July 2023		**31 July 2022**
	Consolidated	**University**	**Consolidated**	**University**
27. Financial Instruments	**£'000**	**£'000**	**£'000**	**£'000**
Financial assets				
All financial assets are debt instruments measured at fair value				
Cash and cash equivalents	22,338	22,319	43,658	43,624
Investments	58,000	58,000	35,000	35,000
Other Debtors	18,408	18,406	21,650	21,650
Financial Liabilities				
Financial instruments measured at fair value through other comprehensive Income				
Derivatives	1,488	1,488	21,547	21,547
Financial instruments measured at amortised cost				
Loans	77,695	77,695	79,584	79,584
Trade creditors	17,861	17,858	27,581	27,564

Further detail around the university's loans and derivatives is included at Note 21 and 22 above.

		31 July 2023		**31 July 2022**
	Consolidated	**University**	**Consolidated**	**University**
28. Capital and other commitments	**£'000**	**£'000**	**£'000**	**£'000**
Provision has not been made for the following capital commitments at 31 July 2023:				
Capital commitments	4,048	4,048	3,874	3,874
	4,048	**4,048**	**3,874**	**3,874**

29. Contingent liabilities

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

	31 July 2023			31 July 2022
	Land and Buildings	Other leases	Total	
30. Lease obligations	**£'000**	**£'000**	**£'000**	**£'000**
Total rentals payable under operating leases:				
Future minimum lease payments due:				
Not later than 1 year	331	263	594	609
Later than 1 year and not later than 5 years	0	13	13	164
Total lease payments due	**331**	**276**	**607**	**773**

31. Post Balance Sheet Events

There are no material post balance sheet events to report upon.

32. 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	The vehicle for spin-out companies and operating the car park for students and P&D	100% owned
HecoAnalytics Limited	Dormant – never traded	100% owned

33. Pension schemes

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

- Universities Superannuation Scheme (USS) for academic and professional staff
- Teachers' Pension scheme (TPS) for a few academic staff but closed to new employees
- London Pensions Fund Authority Scheme (LPFA) for other staff

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

	Year Ended 31 July 23	Year Ended 31 July 22
Statement of comprehensive income – net pension cost for the university and its subsidiaries was:		
USS	17,679	16,073
TPS	224	217
LPFA	6,716	10,654
Other Pension scheme staff cost	78	77
Total pension staff cost as per note 9	24,697	27,021
Provision for the ex-WLIHE pension increase, non-staff cost	0	66
	24,697	**27,087**

33. Pension schemes (continued)

	Year Ended 31 July 23	Year Ended 31 July 22
Other Comprehensive Income – actuarial gain/ (loss) in respect of pension schemes for the university and its subsidiaries was:		
LPFA	46,633	70,297
Ex-WLIHE	250	66
	46,883	**70,363**
Statement of Financial Position – pension (asset) / liability for the university and its subsidiaries (note 18 & 23) was:		
USS	74,182	80,338
LPFA	(16,665)	25,884
Ex-WLIHE	675	898
	58,192	**107,120**
Net interest Charge on Pension Scheme (note 10):		
USS Deficit Recovery program interest on opening liability	2,675	311
LPFA Interest cost on scheme liabilities	5,340	3,295
LPFA Interest receivable on scheme assets	(4,496)	(1,916)
Ex-WLIHE interest	26	0
	3,545	**1,690**
Cashflow pension movement (Cashflow)		
Pension Provision 31 July 2023	74,857	107,120
Pension Provision 31 July 2022	(107,120)	(124,217)
Actuarial Gain	46,883	70,363
	14,620	**53,266**

(i) Teachers Pension Scheme

TPS is an unfunded defined benefit scheme administered by the Teachers Pensions agency in accordance with the Teachers' Superannuation (Consolidation) Regulations 1988. Contributions on a 'pay as you go' basis are paid to the Exchequer under arrangements governed by the Superannuation Act 1972.

It is not possible to identify the university's share of the underlying assets and liabilities in the scheme and hence, using the exemption under FRS 102, contributions to the scheme are accounted for as if it were a defined contribution scheme with the cost recognised in the Statement of Comprehensive Income and Expenditure account being equal to the contributions payable to the scheme.

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

(ii) The Universities Superannuation Scheme

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

USS is a multi-employer scheme and is accounted for as set out in the accounting policies.

The total cost charged to the consolidated statement of comprehensive income is £17.7m (2021–22 £16.1m), as shown in note 23.

Deficit recovery contributions due within 1 year for the university are £5.5m (2021-22 £4.8m).

The latest available complete actuarial valuation of the USS Retirement Income Builder is at 31 March 2020 (the valuation date), and was carried out using the projected unit method.

Since the university cannot identify its share of the USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The 2020 valuation was the sixth 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 £66.5 billion and the value of the Scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion and a funding ratio of 83%.

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the statement of funding principles (uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles).

CPI assumption	Term dependent rates in line with the difference between the Fixed Interest and Interest Linked yield curves less: 1.1% p.a. to 2030, reducing linearly by 0.1% p.a. to a long-term difference of 0.1% p.a. from 2040
Pension increases	These are subject to a floor of 0% and are the CPI assumption plus 0.05%
Discount rate (forward Rates)	Fixed Interest gilt yield curve plus: Pre-retirement 2.75% p.a. Post retirement 1.00% p.a.

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2020 actuarial valuation. The mortality assumptions used in these figures are as follows:

Mortality base table	**2020 Valuation**
	101% of S2PMA "light" for males and 95% of S3PFA for females.
Future improvements to mortality	CMI_2019 with a smoothing parameter of 7.5 and an addition of 0.5% p.a. and a long-term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females.

The current life expectancies on retirement at age 65 are:	**2022**	**2021**
Males currently aged 65 years	23.9	24.7
Females currently aged 65 years	25.5	26.1
Males currently aged 45 years	25.9	26.7
Females currently aged 45 years	27.3	27.9

	2023	**2022**
Discount rate	5.49%	3.33%
Pensionable salary growth	n/a	n/a
Pension increases (CPI)	5.0%	4.0%

The employers' contribution rates are as follows	**Effective date**	**Rate**
	1 October 2019 to 30 September 2021	21.1%
	1 October 2021 to 31 March 2022	21.4%
	1 April 2022 to 31 March 2024	21.6%
	1 April 2024 to 30 April 2038	21.4%

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 the long-term future service rate, adjusted for the funding level in respect of past service. For the year ended 31 March 2023, the employer's contribution rate was 16.0% (17.0% March 22). In April 22 the university was required to pay a lump sum of £1.06m. in respect of past service benefits. There was no lump sum payment made in 2023. The employee's rate from 1 April 2011 is based on a banded earnings schedule. The employer contributions were £3.54m (£4.31m in 2022) and the employee's contributions were £1.31m (£1.22m 2022).

The following information regarding the LPFA is based on the full actuarial valuation of the fund as at 31 March 2022 by Barnett Waddingham, an independent firm of actuaries. The major assumptions are:

	2023	2022	2021	2020	2019
Inflation (CPI)	2.85%	2.75%	2.60%	2.20%	2.40%
Rate of increase in salaries	3.75%	3.65%	3.60%	3.20%	3.90%
Rate of increase in pensions	2.85%	2.75%	2.70%	2.20%	2.10%
Discount rate	5.15%	3.50%	1.60%	1.60%	2.10%

CMI2022 reflects the latest available industry data at the balance sheet date and was used in 2022/23, 2021/22 used CMI2020.

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

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

	Males	Females
Retiring today	19.9	23.6
Retiring in 20 years	21.0	24.9

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 2023 were measured in accordance with the requirements of FRS102

	2023	2022
	£'000	£'000
Estimated Asset Share	135,657	127,996
Present value of scheme liabilities	(118,992)	(153,880)
Surplus / (Deficit) in scheme	**16,665**	**(25,884)**

Analysis of amount charged to the Statement of comprehensive income and expenditure		
Current service cost (net of employee contributions)	(6,716)	(10,659)
Net interest on the defined liability	(844)	(1,379)
Actuarial gain recognised in SOCI below the surplus for the year	46,633	70,297
Administration expenses	(64)	(155)
	39,009	**58,104**

	2023 £'000	2022 £'000
Return on fund assets in excess of interest	(681)	5,824
Change in demographic assumptions	7,600	0
Experience gain on defined benefit obligation	(8,663)	(12,526)
Other actuarial gains on assets	2,984	0
Change in financial assumptions	45,393	76,999
Actuarial gain recognised in SOCI below the Surplus for the year	**46,633**	**70,297**
Movement in deficit in the year		
Deficit in scheme at the beginning of the year	(25,884)	(88,296)
Current Service costs	(6,716)	(10,659)
Contributions	3,540	4,309
Net Interest cost	(844)	(1,379)
Administration charges	(64)	(155)
Present value of unfunded obligation	0	(1)
Actuarial gain	46,633	70,297
Surplus / (Deficit) in scheme at the end of the year	**16,665**	**(25,884)**
Fair value of scheme assets at the beginning of the year	127,996	119,130
Interest on Assets	4,496	1,916
Return on Assets less interest and other actuarial gains	(681)	5,824
Administration Expenses	(64)	(155)
Contributions by Employer	3,540	4,309
Contributions by scheme participants	1,347	1,215
Other actuarial gains	2,984	0
Estimated benefits paid (net of transfers in and unfunded)	(3,961)	(4,243)
Fair value of scheme assets at the end of the year	**135,657**	**127,996**
Present value of scheme liabilities at the beginning of the year	(153,880)	(207,427)
Current Service Cost	(6,716)	(10,659)
Interest Cost	(5,340)	(3,295)
Change in Financial Assumptions	45,393	76,999
Change in demographic assumptions	7,600	0
Experience (loss) on defined benefit obligation	(8,663)	(12,526)
Estimated benefits paid (net of transfers in and unfunded)	3,961	4,243
Unfunded pension payments	(1,347)	(1,215)
Present value of scheme liabilities at the end of the year	**(118,992)**	**(153,880)**

33. Pension schemes (continued)

	2023 £'000	2023 %	2022 £'000	2022 %
Scheme Assets breakdown				
Equities	79,672	59	72,635	56
Target return portfolio	24,171	18	27,788	22
Infrastructure	16,940	12	13,466	11
Property	12,831	9	12,568	10
Cash	2,043	2	1,539	1
Total	**135,657**	**100**	**127,996**	**100**

	2023 £'000	2022 £'000
History of experience gains and losses cumulative		
Interest on Assets	4,496	1,916
Total scheme assets	135,657	127,996
% of scheme assets	3.3%	1.5%
Experience (gains) on scheme liabilities	(8,663)	(12,526)
Present value of liabilities	(118,992)	(153,880)
% of present value of liabilities	7.3%	8.1%
Actuarial gain recognised in SOCI below the surplus	46,333	70,297
Present value of liabilities	(118,992)	(153,880)
% of present value of liabilities	(39.2%)	(45.7%)

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

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

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

34. US Department of Education Financial Responsibility Supplemental Schedule

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

The accounts presented within the schedules have been:

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

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

Primary Reserve Ratio			Year Ended 31 July 2023 £000s Positive	Year Ended 31 July 2023 £000s Negative	Year Ended 31 July 2022 £000s Positive	Year Ended 31 July 2022 £000s Negative
		Expendable Net Assets				
Balance Sheet	Statement of Financial Position – Net Assets without Donor Restrictions	Net Assets without Donor Restrictions	263,568		192,411	
Balance Sheet	Statement of Financial Position – Net Assets with Donor Restrictions	Net Assets with Donor Restrictions	1,720		1,757	
	Statement of Financial Position – Related party receivable and Related party note disclosure	Secured and Unsecured related party receivable				
	Statement of Financial Position – Related party receivable and Related party note disclosure	Unsecured related party receivable				
Notes 14 and 15	Statement of Financial Position – Property, Plant and Equipment, net	Property, plant and equipment, net (includes construction in progress)				
	Note of the Financial Statements – Statement of Financial Position – Property, Plant and Equipment – pre-implementation	Property, plant and equipment – pre-implementation		350,065		375,010
	Note of the Financial Statements – Statement of Financial Position – Property, Plant and Equipment – post-implementation with outstanding debt for original purchase	Property, plant and equipment – post-implementation with outstanding debt for original purchase				
	Note of the Financial Statements – Statement of Financial Position – Property, Plant and Equipment – post-implementation without outstanding debt for original purchase	Property, plant and equipment – post-implementation without outstanding debt for original purchase		22,966		23,876
	Note of the Financial Statements – Statement of Financial Position – Construction in process	Construction in process		33,760		7,285
	Statement of Financial Position – lease right-of-use assets, net	Lease right-of-use asset, net				
	Note of Financial Statements – Statement of Financial Position – Lease-right -of-use asset pre-implementation	Lease right-of-use asset pre-implementation				
	Note of Financial Statements – Statement of Financial Position – Lease right-of-use asset post-implementation	Lease right-of-use asset post-implementation				
	Statement of Financial Position - Goodwill	Intangible assets				
Note 23	Statement of Financial Position – Post-employment and pension liabilities	Post-employment and pension liabilities	74,857		107,120	
	Statement of Financial Position – Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt – for long term purposes				
Note 22	Statement of Financial Position – Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt for long term purposes pre-implementation	77,695		79,584	
	Statement of Financial Position – Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt for long term purposes post-implementation				
	Statement of Financial Position – Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Line of Credit for Construction in process				
	Statement of Financial Position – Lease right-of-use of asset liability	Lease right-of-use asset liability				
	Statement of Financial Position – Lease right-of-use of asset liability pre-implementation	Pre-implementation right-of-use leases				
	Statement of Financial Position – Lease right-of-use of asset liability post-implementation	Post-implementation right-of-use leases				
	Statement of Financial Position - Annuities	Annuities with donor restrictions				
	Statement of Financial Position – Term Endowments	Term endowments with donor restrictions				
	Statement of Financial Position – Life Income Funds	Life income funds with donor restrictions				

			Year Ended 31 July 2023 £000s		Year Ended 31 July 2022 £000s	
Primary Reserve Ratio (continued)			**Positive**	**Negative**	**Positive**	**Negative**
Note 24	Statement of Financial Position – Perpetual funds	Net assets with donor restrictions: restricted in perpetuity		445		445
		Total Expenses and Losses				
Note 11	Statement of Activities – Total Operating expenses (Total from Statement of Activities prior to adjustments)	Total expenses without donor restrictions – taken directly from Statement of Activities		284,314		266,407
Note 21	Statement of Activities Non-Operating (Investment return appropriated for spending). Investments, net of annual spending gain (loss), Other components of net periodic pension costs, Pension-related changes other than net periodic pension, Change in value of split-interest agreements and Other gains (loss). (Total from Statement of Activities prior to adjustments).	Non-Operating and Net Investment (loss)	20,059		19,973	
	Statement of Activities – (Investment return appropriated for spending) and Investments, net of annual spending gain (loss)					
	Statement of Activities – Pension – related changes other than periodic pension	Pension related changes other than net periodic costs				
Equity Ratio						
		Modified Net Assets				
Balance Sheet	Statement of Financial Position – Net Assets without Donor Restrictions	Net assets without donor restrictions	263,568		192,411	
Balance Sheet	Statement of Financial Position – Total Net Assets with Donor Restrictions	Net assets with donor restrictions	1,720		1,757	
	Statement of Financial Position - Goodwill	Intangible Assets				
	Statement of Financial Position – Related party receivable and related party note disclosure	Secured and Unsecured related party receivable				
	Statement of Financial Position – Related party receivable and related party note disclosure	Unsecured related party receivables				
		Modified Assets				
Balance Sheet	Statement of Financial Position – Total Assets	Total assets	537,547		523,208	
	Note of Financial Statements – Statement of Financial Position – Lease right-of-use asset pre-implementation	Lease right-of-use asset pre-implementation				
	Statement of Financial Position – Lease right-of-use asset liability pre-implementation	Pre-implementation right-of-use leases				
	Statement of Financial Position – Goodwill	Intangible assets				
	Statement of Financial Position – Related party receivable and related party note disclosure	Secured and Unsecured related party receivable				
	Statement of Financial Position – Related party receivable and related party note disclosure	Unsecured related party receivables				
Net Income Ratio						
Balance Sheet	Statement of Activities – Change in Net Assets Without Donor Restrictions	Change in net assets without donor restrictions	71,157		49,846	
SOCI	Statement of Activities – (Net assets released from restriction), Total Operating Revenue and Other Additions and Sale of Fixed Assets, gains (losses)	Total Revenues and Gains	282,373		271,349	

Membership of Council, Committees and Professional Advisers

Membership of Council during the 2022/23 Year

Names	Status of Appointment	Date Appointed	Date Resigned/ Completed Term of Office
Mr M Ahmed	Independent Member	26.11.19	
Dr V Bhalla	Deputy Chair of Council	01.01.20	
Prof D Delpy	Independent Member	01.03.22	
Mr M Garrett	Independent Member	01.01.20	
Prof P Hellewell	Executive Dean	01.08.20	
Ms L Hunt	Independent Member	01.08.16	
Prof A Jones	Vice-Chancellor & President	05.01.22	Ex-officio
Mr D Kennedy	Independent Member	01.03.22	
Ms Josie Mangan	Elected Staff	01.08.20	
Mr C Maw	Independent Member	01.03.22	
Mr A Murphy	Chief Financial Officer/Chief Operating Officer	08.10.18	19.7.23
Prof S Palmer	Chair of Council	03.10.22	
Mr A Raval	Student Member	01.08.22	
Ms T Rosingholm	Independent Member	01.02.17	
Ms A Rowlatt	Independent Member	01.08.15	
Mr S Shaw	Student Member	15.03.23	
Ms W Swoboda	Student Member	15.03.23	
Dr K Thomas	Independent Member	01.02.16	
Dr P D Thomas	Elected Academic	01.08.18	
Ms A Waltham	Independent Member	01.08.17	

Committees

Finance Committee

Chair
Dr K Thomas

Members
Mr M Ahmed
Dr V Bhalla
Ms L Hunt
Prof A Jones
Mr C Maw
Mr A Murphy
Prof S Palmer (from 03.10.22)
Mr A Raval
Ms T Rosingholm

In Attendance
Mr G Bennett
Dr P Cross
Mr E Glover
Mr P Halliwell
Ms C Musukuma
Ms H Willey

Audit Committee

Chair
Ms A Rowlatt

Members
Mr M Garrett
Mr D Haigh (external member)
Mr D Kennedy
Ms A Waltham

In Attendance
Dr P Cross
Mr E Glover
Prof A Jones
Ms C Musukuma
Mr A Murphy
Dr R Scoble
Ms H Willey

Remuneration Committee

Chair
Mr M Ahmed

Members
Dr V Bhalla
Ms L Hunt
Prof S Palmer (from 03.10.22)
Mr C Maw

In Attendance
Ms G Bailey
Mr E Glover
Prof A Jones

Governance & Nominations Committee	**Honorary Degrees Committee (joint committee with Senate)**
Chair	**Chair**
Dr V Bhalla	Prof A Jones
Members	**Members**
Prof D Delpy	Prof T Betteridge
Ms L Hunt (until 12.09.22)	Dr V Bhalla
Prof A Jones	Prof P Hellewell
Prof S Palmer (from 03.10.22)	Mr E Glover
Mr S Shaw	Prof T Hoey
Dr K Thomas	Prof S Langdon
	Prof S Palmer (from 03.10.22)
	Prof G Rodgers
	Mr S Shaw
	Prof C Turner
	Prof H Zhao

Professional Advisers during the 2022/23 Year

Bankers	**Legal advisers**	**External auditors**
HSBC Bank plc, Uxbridge	Mills & Reeve LLP	KPMG LLP, London
	Veale Wasbrough Vizards LLP	
	DLA Piper UK LLP	

Indirect tax advisers	**Internal Auditors**
PwC LLP, London	RSM LLP, London

Financial Statements 2022/23

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

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