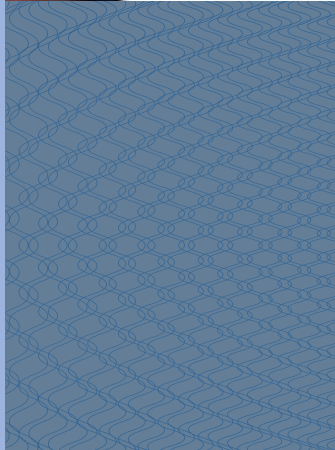
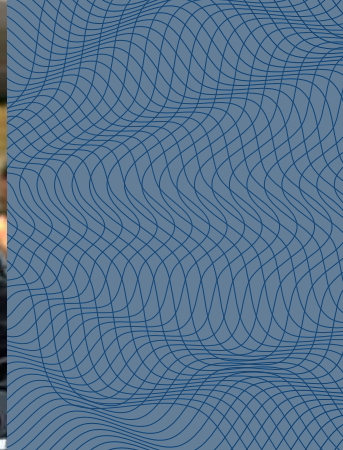


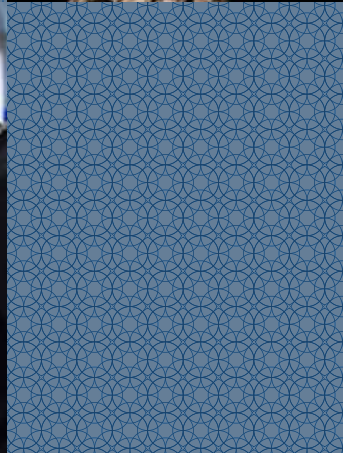


Brunel
University
London



Financial Statements

2021/22





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Strategic Report 2021/22

Mission and Strategic Vision

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

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

These aims are articulated in the University's mission:

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

The University's Strategic Vision, Brunel 2030 – A university for a changing world, articulates our commitment to bring benefit to society through excellence in education, research and knowledge transfer. It also describes our key goals and values and it positions the University to deliver our strategic vision of:

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

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

Strategy

“Brunel 2030 – A university for a changing world” adopts five distinct themes that underpin the vision and recognise the values upon which our success is founded. With the arrival of our new Vice-Chancellor and President Andrew Jones in January 2022 and the appointment of our new Chair of Council in October 2022, the groundwork and discussion for the development of a refreshed strategy commenced, but will not complete until the spring of 2023. Meanwhile, we continue to be guided by the goals, values and vision of Brunel 2030.

In light of the number of challenges facing the sector in coming years, as we emerge from the Covid-19 pandemic, we identified key academic priority areas on which to focus and drive significant progress and change, including i) Student income growth, ii) Research income growth and iii) Student success.

The University also contributed directly to the ongoing national effort to respond to the pandemic with the University’s Chancellor Sir Richard Sykes being appointed as the UK Government vaccine taskforce’s new chair in 2021. His independent review of the vaccine taskforce’s strategy and goals led to work to find, procure and deliver vaccines and oversee preparations for vaccine booster programmes. The previous Vice-Chancellor, who held the role as President of Universities UK from August 2019 to the end of July 2021, played a lead role in shaping the sector’s response to the pandemic, engaging regularly with Government and other key stakeholders.

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

and opportunities for Brunel as the nation emerges from the pandemic, and it is important that we focus on developing a strategy that will ensure Brunel is well positioned to have a major impact in a post-Covid-19 era.

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

Whilst a time of great uncertainty and challenge, the pandemic reinforced the agenda for change in the higher education sector, with universities viewed as key players in supporting economic and social recovery post Covid-19 both by delivering a skilled workforce and by carrying out research that will help to drive economic growth and social prosperity. We are proud of the excellent employment outcomes for our students as evidenced in the Graduate Outcomes data by the high numbers of graduates progressing to graduate level roles and/or further study. Indeed, Brunel students are amongst the highest earning

graduates, ranking 28th nationally three years after graduation in the Longitudinal Education Outcomes (LEO) tables.

The University is committed to working with businesses, the NHS and other parties to ensure our graduates have the broad skills required by employers, to use our expertise in research to drive economic growth and social prosperity and to encourage innovation and entrepreneurship. Brunel’s expertise in this is evidenced by the two awards our Professional Development Centre (PDC) were successful in securing last year, namely the *University Progression Initiative of the Year 2022 – Student Social Mobility Awards* and *Best HE Careers Guidance professional of the year* (Christel Thames) – **2022 National Graduate Recruitment Awards**. Brunel was also a finalist, though not winner, for *Best University Placements Service – National Undergraduate Employability Awards 2022*.

1. Education and Student Experience

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

Despite the pandemic, and the associated restrictions regarding face-to-face teaching, over the past 12 months we have continued to progress our ambition to introduce more interactive teaching, and to increase the many and varied ways of using technology in teaching and assessment. To support staff to teach differently, we have an ongoing programme of upgrading existing teaching spaces with new technology. We also continued to implement our plan to expand and diversify our educational portfolio. We welcomed our first cohort of undergraduates to our School of Nursing in September 2021 and completed the preparations for the launch of the Brunel Medical School in order to welcome our first cohort of medical students in September 2022.

In the light of the volatile home undergraduate market and the declining unit of resource for these students (17% in real terms since 2012), the university took the decision about five years ago to expand its offer beyond the traditional campus-based undergraduate and postgraduate programmes by introducing (i) Transnational education (TNE), with key strategic overseas partners, (ii) Online master's programmes ('Brunel Online'), in partnership with InteractivePro and (iii) Degree apprenticeships in partnership with employers.

Brunel Online has continued to expand with approximately 20% more postgraduate students registered in 2021/22 than we saw in the previous year, with students enrolled on courses from two of our three Colleges, namely the College of Health, Medicine and Life Sciences (CHMLS) and College of Engineering, Design and Physical Sciences (CEDPS). In the early summer of 2022, we held our first graduation (online) for graduates of our joint School in Beijing with our TNE

partners, the North China University of Technology (NCUT). Plans for further growth and diversification will be considered as we start to develop our new strategy in the autumn of 2022. Meanwhile we also saw the continued growth (threefold increase in student numbers compared to the previous year) of our apprenticeship programme with the Metropolitan Police Service (MPS).

Digital learning

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

The Covid-19 pandemic created many challenges for us, but also opportunities. How we delivered education in 2020/21 was very different from our approach in the past, and required us to re-think how we could provide learning and teaching in ways that extend beyond campus delivery, embracing the use of technology as the enabler to create flexible learning experiences for all our students. Our commitment to dual delivery throughout 2020/21 provided this flexibility and we continued to build on our success in 2021/22, ensuring we optimised the learning experience of our students. Dual delivery means providing students, both on and off campus, with a parallel learning experience, whilst also maintaining social distancing on campus (when applicable).

Furthermore, it meant students were able to access their learning online for any periods they were not on campus. Alongside teaching, our Professional Development Centre continued to deliver an expanded programme of activities, providing advice and guidance to current students and recent graduates on placements and careers as they face an unusually challenging job market, albeit less challenging than the previous year as the job market and placement opportunities started to recover from the pandemic. Once again, record numbers of students enrolled for our READY programme, in which students work in interdisciplinary groups to address challenges in the developing

world, with programmes focused on innovation and entrepreneurship remaining popular with the students.

All on-campus face-to-face activities were focused on those that added greatest value to the students' learning experience: small group teaching, seminars, tutorials and practical skills sessions, with a reduced emphasis on lectures, responding to the feedback of our students. The existing highly successful Lecture Capture facility enabled us to provide students with what they needed.

The OfS announced its intention to review providers' approaches to blended learning and announced the Blended Learning Review Panel - Office for Students in spring 2022. The OfS will draw on the Panel's report to make judgements about the approaches likely to be acceptable and those that are not (i.e. meet the regulatory requirements) and publish the outcomes of the review in September.

Brightspace, Brunel's new Virtual Learning Environment (VLE) platform, went live to staff and students on 1 September 2022; the culmination of 10 months of intense work by colleagues across the University, and the successful launch was testament to the collaboration between the many professional service teams (including Information Services; Digital Education Team; SITS Data Management), academic and professional staff. In the coming academic year (2022/23) we will monitor the new VLE very closely to ensure that all staff and students can access it without any problems and if any issues do arise they will be dealt with immediately by the Brightspace Implementation Board, which is continuing to oversee the roll-out.

Whilst awaiting the outcome of the OfS consultation on TEF, we started preparations in 2021/2022 for an expected submission date of November 2022. Activities were overseen by the TEF Steering Group. An open event on Educational Gain, a new feature in TEF, was held in early May to discuss the type of evidence we might draw on to address this

aspect. Information sharing with the Student Union is taking place as they are preparing for their own independent student submission.

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

With the arrival of our new Vice-Chancellor, we will be establishing a new strategic NSS oversight group which will seek to understand, guide, oversee and constantly reflect on our student’s experience and satisfaction. The strategy group will work together with our Students Union, student body and our staff to engender sustainable change and high-level satisfaction across the institution, embedding the student experience in a holistic way.

Opportunities for Development

The Academic Professional Development Unit (APDU) provides a broad offering of professional development opportunities for staff and graduate students who support learning and teaching. This includes, but is not restricted to, an 18-month Academic Professional Programme; a Higher Education Learning and Teaching Programme; and an introduction to learning and teaching for Graduate Teaching Assistants and Demonstrators prior to starting their

supporting roles. Other offerings by the APDU include supporting staff in their applications for professional recognition as Advance HE fellows and a range of Continuing Professional Development (CPD) sessions relating to learning and teaching which are open to the entire university community, and are very well attended. In 2021/22 we continued to build on the firm foundations established during the first year of operation focusing on expanding our CPD offering.

In order to improve our National Student Survey (NSS) performance, an institution-wide taskforce called Students First was established in 2019. This initiative continued in 2021/22. The focus of *Students First* is to improve the student experience year on year, and we saw an improvement in overall performance in our most recent NSS results. With the arrival of our new Vice-Chancellor, we will be establishing a new strategic NSS oversight group which will seek to understand, guide, oversee and constantly reflect on our student’s experience and satisfaction. The strategy group will work together with our Students Union, student body and our staff to engender sustainable change and high-level satisfaction across the institution, embedding the student experience in a holistic way.

Following the examination period and the further relaxation of Covid-19 restrictions in May 2021, a three-week festival was delivered on campus, catering to students’ learning, career development and social activities. The event programme was offered to all Brunel students, residential and non-residential students alike, across all study levels, with the aim of engaging students in campus-based learning and social activity. It was a highly successful event which we ran again in May 2022, with a revised programme of activities in response to students’ feedback from the previous year.

A very successful two-day Learning and Teaching Festival took place in June 2022 which included both online and in-person events to enable as many staff as possible to engage. The festival opened with a key note lecture by Professor James Longhurst, Assistant Vice-Chancellor

Environment and Sustainability, University of the West of England, whilst the key note presentation on day 2 was by our own Global Challenges students, demonstrating what education for sustainable development means in practice. The two-day event enabled academic and professional staff to share their practice in a range of ways, including workshops and demonstrations as well as traditional talks.

In order to enable as many of our graduands to process in a face to face on campus ceremony, we ran 20 ceremonies across 8 days, graduating 7,300 students. It was a hugely positive series of events that was greatly appreciated by graduands, their relatives as well as Brunel staff and current students re-awakening the potential of the campus after the pandemic period.

2. Research

Responding to the Pandemic

As with other aspects of the University's operations during 2021/22 the Covid-19 pandemic had a significant impact on research activities, with academic project leaders and managers responding with creativity and resilience in challenging circumstances.

Research Strategy

In 2021/22 we continued to build on the work achieved over the previous year to embed our new Research strategy: establishing a challenge-led approach at University level, and focusing our research activity around five strategic challenge areas aligned with industrial and global challenges.

Brunel delivers research excellence across wide-ranging multi-disciplinary settings. Brunel now has five cross-disciplinary research institutes: Communities and Society; Digital Futures; Energy Futures, Health, Medicine and Environments, and Materials and Manufacturing. These cover research areas such as ageing, migration and border relations, health economies, smart power networks, sustainable technologies and manufacturing design, fuels, hydrogen technologies, and liquid metals. We also have well-established research centres, including path-breaking work on big data analysis, electoral integrity and modernisation, artificial intelligence, and entrepreneurship and sustainability.

Our Research Institutes and Centres will ensure that we are well placed to deliver the Brunel 2030 Research Strategy with the appropriate agility to contribute to economic growth and social recovery as we recover from the Covid-19 pandemic. Performance against targets of the Research Groups, Centres and Institutes is monitored by annual reports to the Academic Strategy Committee. The University has developed dashboards with research information for each Centre and Group, including metrics on outputs, Open Access compliance and research proposals submitted and awarded.

Brunel Research Festival (BRF22) took place throughout May 2022, both online – and in person on campus. The Festival provided an opportunity to re-engage and network with our business partners and welcome back our broader local communities. Each Research Institute ran an internally focussed event online to showcase research activities across the Research Centres over the past 12 months - and unveil exciting plans for the future. There were also open days held on campus, an opportunity for colleagues to meet visitors in person through a variety of public lectures, lab tours and demonstrations, a History Festival, research masterclasses and much more.

Brunel performed exceptionally well in this year's Times Higher Education (THE) Impact Rankings: we are 58th in the world out of 1,406 institutions, a positive increase from 101-200 out of 1,117 last year. We are also 13th in the UK out of 53, compared to 22nd out of 50 last year.

As a research-intensive university, Brunel has a strong commitment to supporting the career development of all those who contribute to our research endeavour. In 2021/22 we retained our focus on improving the research environment and culture within Departments to meet our commitments relating to the *Researcher Concordat* launched in autumn 2019. We work collectively with colleagues across the sector to tackle and overcome the challenges faced by researchers in developing their careers, ensuring staff are given the opportunity to develop their talents and realise their potential, with an active culture of seminars, journal clubs and support for grant writing, as well as mentoring for new academics and Early Career Researchers (ECRs).

Research grants and proposals

At the date of this report, the issue of the UK's association with the EUC's Horizon Europe programme remains unresolved. The University continues to engage actively with the programme – 50% by value of the proposal submissions during 2021-22

were to the EU – and has put in place processes to secure funds from UKRI for funded EU projects under the Horizon Europe guarantee scheme established by the UK Government. We will continue to follow and respond to further developments to ensure we are well placed to engage in European collaborations. In the event that the UK does not associate, we expect to continue to collaborate in EU projects as a 'third country' (on the reasonable assumption that the UK Government extends the Horizon Europe guarantee scheme for the life of the Horizon programme), and will source opportunities under any new international funding programmes introduced by the UK Government.

We have secured over £127m in research income over the last 5 years. Of the awards to the University this year, 53 grants with a total value of £12.7m (59%) - were from the UK Research Councils; this is a significant achievement at a time when Research Council award rates have been falling as a result of an increase in applications, and is a marker of the quality of Brunel's research.

The value of grants and contracts awarded to the University in 2021-22 totalled £21.8m, broadly in line with the prior year. The value of proposals submitted over the year amounted to £106.5m, an 11% increase on the previous year. This is a positive upward trajectory and hopefully reflects a return to pre-pandemic levels of activity.

There have been a number of major grants awarded to the University over the year, including for the following research projects:

1. Dr Xin Zhang was awarded £1.5m by UK Research and Innovation (UKRI) for a highly prestigious Future Leaders Fellowship entitled DEEPS: **Digitalisation of Electrical Power and Energy Systems Operation**. The aim of the fellowship is to develop whole system modelling methods and co-simulation platform-as-a-service (PaaS) approaches for reliable cyber-physical energy

systems (CPES) operation. This will be demonstrated in a laboratory environment and deployed within the industry standard energy management systems at the whole system level across electricity system operators, in order to accommodate 100% low-carbon and renewable energy in real-time operation.

2. Dr Mariza Dima and Dr Damon Daylamani-Zad secured £130k from the Arts & Humanities Research Council for a project entitled **Designing Hybrid Mixed Reality/Heritage Performance Experiences to Support Decolonisation of Heritage Sites**. A collaboration with State University of New York Research Foundation, Farmingdale State, the project aims to explore the design of a hybrid experience that uses smart glass Augmented Reality technology (AR) and draws on live performance to relate narratives of historic figures and decolonize heritage sites. It will focus on under-represented stories from 18th century enslaved and freed slave populations living in London and Deerfield, Massachusetts.
3. Prof Christina Victor, Dr Keming Yu, Dr Michael Thomas and Prof Justin Fisher were awarded £908k by the Economic & Social Research Council for a project entitled **Novel use of existing data sets to model inclusive ageing**. The project will extend and expand the parameters of ageing research by comparing social health and loneliness and how they change over time for people aged 50 from three groups:

- (a) those 'growing old in a foreign land' who migrated from the Caribbean/Indian sub-continent to the UK between 1950-1975;
- (b) those ageing with 'lifelong' physical (e.g. cerebral palsy) and/or intellectual (e.g. Downs syndrome) disability because of increased longevity; and
- (c) LGBT people ageing with an acknowledged new social identity - and compare this with the general experiences of older people.

4. Prof Zhongyun Fan secured £902k from Constellium UK Limited for the continuation of funding (2022-24) to support research fellowships associated to the **Advanced Metal Casting Centre (AMCC)** project and £601k for the continuation of funding (2022-24) for research fellowships associated to the **EPSRC Future Liquid Metal Engineering Hub (LiME)**. These represent on-going commitments by Constellium towards its long-term investment in R&D at Brunel through its University Technology Center (UTC), a centre of excellence for the design, development and prototyping of aluminium extrusions and automotive components.

Research Excellence Framework 2021 (REF 2021)

The REF2021 return was submitted on 23 March 2021 and the results announced in May 2022.

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

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

The outputs submitted well represented the diversity of our staff:

- Female staff made up 37% of our submission and contributed 36% of the outputs.
- Staff from Black, Asian and ethnic minority backgrounds made up 27% of the submission with 26% of the outputs.
- 1% of staff with a declared disability contributed the same percentage of the outputs.

- Of the staff submitted, 22% were aged 30-39, 32% were aged 40-49, 31% were aged 50-59 and 14% were aged 60 or older. The percentage of outputs submitted for each of these age cohorts was within 2% of these values.

Highlights of our REF2021 outcomes include: the volume of 'world-leading' research carried out at the University has increased by nearly two thirds (63%) in the past seven years, with 21.1% of the University's submitted work in this top category, up from 14.3% in 2014, the last time the REF was conducted. Overall 72.7% of our submissions were assessed as world leading (21.1%) or internationally excellent (51.6%) – an increase from the previous score of 61%, confirming Brunel's position as a top 40 UK research-intensive university. Four areas of study at Brunel – Earth Systems and Environmental Sciences, Politics and International Studies, Sociology and Sport and Exercise Sciences, Leisure and Tourism – had 100% of their submitted research impact recognized as world-leading or internationally excellent, placing them among the best in the country.

In five units of assessment, Brunel scored a grade point average (a simple measure of the average quality of research) above 3.0, the level indicating international excellence. These are:

- Allied Health Professions, Dentistry, Nursing and Pharmacy
- Anthropology and Development Studies
- English Language and Literature
- Politics and International Studies
- Sport and Exercise Sciences, Leisure and Tourism

The grade point average for our overall submission is 2.88, rising from 2.67 in 2014.

These results reflect the significance of the pioneering research we conduct across Brunel as we seek to address society's most pressing challenges, in collaboration with partners locally and from across the globe. The size of the University's submission was the

40th largest in the UK, highlighting our strong research culture, which ensures that students are taught by leading scholars at the forefront of their fields. The ongoing significant impact of our research, reflected in these results, shows the importance of demonstrable public benefit – which we remain extremely good at.

Brunel Public Policy

Under the leadership of our Director of Brunel Public Policy (BPP) Brunel has now established a permanent unit to support our policy-orientated

research, providing opportunity through the REF cycle to develop impact. The overarching aim of BPP is to proactively promote Brunel research in a form that will be useful to policy makers. It also manages and leads the successful Open Innovation Team (OIT) partnership, now coming to the end of its third year.

The partnership focuses on four areas, namely policy, training, advice and innovation with demonstrable benefits. For example, 24 Brunel academics from across the University have fed directly into policy work through

Brunel-OIT projects and brokering and projects with direct involvement from a Brunel academic have, at the time of writing contributed to four Gov.uk publications, two ministerial submissions or roundtables, two public consultation responses or processes, seven internal policy papers and one independent review.



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3. Our University community

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

Mental health and wellbeing

Having merged the *Mental Health and Wellbeing Strategy for Staff* with that for Students, ensuring a whole University approach in the first quarter of 2020/21, we embedded the strategy alongside the whole university Equality, Diversity and Inclusion Strategy (approved December 2020) which sets out the priorities for the coming years. The new *Equality, Diversity and Inclusion Strategy 2021-2024, Social Justice for All*, focuses on integrating healthy practices and behaviours into the normal business of the University, with visible behavioural leadership. This work has been particularly valuable as staff working practices and work commitments have changed in response to the pandemic.

Our Employee Assistance Programme has continued to be an essential resource for staff during these uncertain times, and provides access to immediate and confidential counselling, health and wellbeing advice and critical incident response and stress management programmes. The wellbeing champions, introduced in 2019 in partnership with Able Futures, have continued to provide valued mental health support. Guidance has been provided to staff and managers through our All Staff Briefings and online portal to support wellbeing and to ensure staff are aware of the services available to them.

Trade union engagement has remained increasingly important

and we have continued to work closely with our trade union colleagues to ensure that any return to campus is as safe as possible and that new ways of working, which the post-Covid-19 pandemic environment necessitated, will not have a detrimental effect on staff.

Following the approval of the Human Resources Strategy 2021-2024 in January 2021, work continued throughout 2021/2022 to embed the critical strategic objectives which include, but are not limited to:

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

A first-year progress review took place in May 2022. Within our organisational structure, equality, diversity and inclusion remain embedded at a number of levels and within all departments and professional directorates. In our last staff engagement survey, equality and diversity were identified as areas of strength in the University. However, we know there is more to do to break down barriers and to promote and ensure equality. Gender Pay Gap and Ethnicity Pay Gap reporting and action planning remain a major focus. The University's 2021 Pay Gap report, published in March 2022, includes information on gender, ethnicity and disability pay gaps. Disability was reported in 2020 for the first time; it was the third year the ethnicity pay gap was published and our fifth year of gender pay gap reporting.

Work continues to implement and embed our action plan to address the gaps. In 2020, Brunel was awarded the *Employer's Network for Equality and Inclusion's* award for our work on addressing pay gaps. We are members of Stonewall and Working Families, with accreditation by Athena SWAN (University membership

renewed in 2017/18 and a Department of Computer Science award in September 2020). We were awarded the *HR Excellence in Research Award*, which is a marker of the quality of our researcher developer programme as judged by Vitae, and we are Disability Confident Employers, holding a Gold Disability Leader Award. With these levels of accreditation, we will work to promote good practice across the sector as well as continually raising our standards to ensure inclusion for all staff.

In January 2022 we appointed a Dean of Culture and Inclusion. The Dean of Culture and Inclusion is responsible for providing senior academic leadership of the University's equality, diversity and inclusion (EDI) strategy and initiatives to meet agreed EDI objectives, whilst also providing high-level sponsorship for the many aspects of our work that impact on the culture of the Brunel environment for staff and students. The Dean works closely with the HR Directorate as well as Student and Academic Services, to promote and embed EDI throughout our interactions with both staff and students.

Brunel's institutional Athena SWAN award is due for renewal with a submission deadline of January 2023. The university's Athena SWAN lead established a new 'delivery' self-assessment team which has been assessing progress on action plans from the 2017 application and preparing the new submission documentation.

Tackling sexual violence and sexual harassment was a key priority and focus for UUK and Brunel in 2021/22 - we participated in the UniSAFE survey (aimed to establish prevalence of gender-based violence in universities) and await the outcomes. Following on from Michele Donelan's statement in January 2022 that universities should stop using Non-Disclosure Agreements (NDAs) for complaints about sexual harassment, bullying and other forms of misconduct we signed up to the NDA pledge *Can't Buy My Silence*. This supports an end to the misuse of NDAs to buy the silence of victims of sexual

harassment, bullying and other forms of misconduct. Finally, we are reviewing our “*Sexual Harassment and Sexual Violence*” and “*Working Relationships*” policies to ensure alignment with new UUK guidance to eliminate sexual harassment and violence in universities.

In parallel with the public and policy agenda, over the last two years Brunel has made significant steps in addressing race inequities. The Anti-racism working group was established, the senior leadership have undertaken the *AdvanceHE Leading Race Equality* training and work is now focussing on training for the wider university community. To address the ethnicity pay gap, our promotion and recruitment and selection processes are being reviewed. Scoping work for application to the Race Equality Charter commenced this year.

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Rewarding our community

Reward and recognition are an important element of the University's people strategy and they support and facilitate performance improvement and engagement. The principles of our reward strategy are underpinned by the desire to offer rates of pay that enable the University to attract, engage and retain high performing

employees in academic, professional services and support roles with the capabilities, knowledge and experience needed to deliver the 2030 vision, mission and goals.

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

We continue to enhance our position as an employer of choice for the best people. Following a focus on talent acquisition in 2020/21, we have enhanced our employer brand to attract talented and diverse candidate pools and to deliver an excellent candidate experience at every stage of the recruitment and selection process. Work has continued in this area with our HR Business Partnering team working in partnership with leaders to deliver workforce planning so that we recruit the right people, with the right skills to the right roles. We have reviewed our onboarding and induction approaches so that new colleagues integrate quickly and effectively.

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

benchmarking exercise, commenced in August 2021 and the results were received in February 2022.

A small project team oversaw the results and outputs of the Systems Effectiveness Survey with a clear priority of focus in those areas where performance scored badly and was also substantially below the lower quartile performance of other participating Universities. With the appointment of a dedicated Programme Manager and Head of Programmes, Strategic Projects and Change, the review and benefit realisation phase commenced in March 2022 to shape and monitor the resulting projects and actions arising from the Activity Collection data combined with the survey results. We identified four main areas of focus and work is well underway. The second stage of the Systems Effectiveness Survey will launch in October 2022, with the results available in Spring 2023, providing a complete data set of all our systems.

4. Our campus and Local Community

Brunel's Vision 2030 envisages a university adept at working in partnership, recognised as a civic university and driver of growth, both social and economic, within its region whilst at the same time having a profound global impact through its research and its teaching.

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

The appointment of a new Leader of the London Borough of Hillingdon in January 2021 has created new opportunities for Brunel to work closely with the Borough and earlier this year the Executive and our Council endorsed our civic partnership between the London Borough of Hillingdon and Brunel. Both have a strong shared sense of purpose in their commitment to work collaboratively to the benefit of the local community. Both organisations are major local employers and contribute significantly to the local economy. The Civic Partnership agreement sets out our joint commitment to work in partnership utilising our combined strengths to improve the lives of the community we serve. Our vision for the partnership is that *"As partners we will actively combine the talents of our staff, our facilities and our resources to improve the wellbeing and prosperity of those who live, work and study within the London Borough of Hillingdon."*

Whilst it is inevitable that the partnership will need to be flexible in its approach, in order to respond to changing needs within the community and national priorities, there are a number of key areas which will inevitably be a priority. Typically, these are large-scale overarching areas of policy and service delivery that are critical to the local community. The partnership is intended to

operate in an agile way which will enable it to respond to specific issues and circumstances and to access and utilise funding opportunities which may become available. The partners will establish a high-level oversight board consisting of senior leaders from Brunel and the London Borough of Hillingdon to develop a programme of joint work and ideas for exploration and we have identified named individuals from both organisations who will lead on the various workstreams to aid delivery.

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

Economic and social recovery in West London

Working in partnership with West London Alliance and West London Business, the West London Vice-Chancellors' Initiative brings together the seven universities in West London. This group is committed to working together to address the

skills gap and to drive innovation and entrepreneurship to support economic and social recovery from the serious economic effects of Covid-19. We have partnered with the four Further Education Colleges in West London to identify ways in which we can address the skills gap in the four key areas identified by the London Recovery Group: Creative Arts and Industries; Digital; Green Economy; and Health and Social Care, with several projects underway and some at advanced stages. Further work is underway to support the construction and aviation industries.

With the arrival of our new Vice-Chancellor in January this year, Brunel has re-affirmed its commitment to supporting local growth and innovation, focused around the potential for an Innovation District, regenerating the high streets and maximising the opportunities for local procurement. As work on our new strategy begins in earnest following the appointment of our new Chair of Council in autumn 2022, Brunel's role in the civic agenda and support for economic and social recovery in West London will be discussed.

Alongside this programme, Brunel's apprenticeship strategy aims to support local and national needs and is aligned to skills priorities. The public and health sectors are key development targets for the university with our Advanced Clinical Practice and Nursing Associate apprenticeships and Physician Associate programme planned for September 2022. As our new digital apprenticeship portfolio is approved through the Crown Commercial agreement, central government departments and the wider public sector can access the university offering.

We continue to explore new ways of encouraging the local community to take advantage of the opportunities available to them through our Public Engagement Programme, Brunel Sports, Brunel Arts and business/conference facilities, including the provision of online classes and information. Our outreach activities are locally focused and target students from underrepresented

groups, with particular emphasis on students living in low participation neighbourhoods, students with disabilities and care-leavers, as set out in the Access and Participation section of this report. We will continue to work with schools through our widening access activity, and will work to deliver our commitment to the *Social Mobility Pledge*.

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

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

The University also actively supports businesses through up-skilling, providing recovery-funding, project based work and undergraduate placements. Our ability to develop partnerships across industry and local and central government is important to the local economy and will be ever more so as the region looks to forge an economic recovery. The University is an active supporter of Chambers of Commerce and local business organisations such as West London Business. We were delighted to once again host the Hillingdon Expo in person on campus in the summer.

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

The Metropolitan Police Service (MPS) programme launched in January 2021, means we will be training 25% of all MPS officers over the next five years, a notable contribution to the local community. We are now in the second year of delivery with a concomitant increase in student numbers on campus.

We voluntarily engaged in the development year of the Knowledge Exchange Concordat, submitting our action plan in July 2021. The Knowledge Exchange Concordat is an initiative of UUK which provides a mechanism by which universities can consider their performance in the wide range of aspects of knowledge exchange and make a commitment to improvement in those areas that are consistent with their priorities and expertise. Implementation and delivery of the Action Plan was overseen by our Director of Business Engagement and following his retirement in July 2022, we have appointed a Pro Vice Chancellor Employment and Enterprise (commencing October 2022).

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

service and to support the delivery and translation of research designed to improve population health and health and social care delivery.

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

Supporting the Sector

Throughout 2021/22 Brunel has worked hard to support the sector and engage with policy development through among others, Universities UK (UUK), London Higher, National Centre for Universities and Business (NCUB), and local networks. We keep abreast of consultations and calls for evidence, responding whenever appropriate. We continue to strive to increase the number of staff appointed to external (E.g.: AQA) and professional bodies and engage our professional bodies wherever possible in government reports and consultations that may have future impact (both negative and positive).

Developing our campus

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

2020/21 was an extraordinary and challenging year with many changes introduced at Brunel in a short period of time to maintain a safe and operational campus in the face of social distancing restrictions, lockdowns and tiers, each of which imposed differing restrictions on campus activity and the modes of delivery of teaching and research. We learned a lot and many of the enforced changes have had beneficial effects which we continued to embrace and evolve in 2021/22, but as the successful vaccination programme progresses at pace and with all UK students offered their first vaccination by the end of July 2021 and all international students registered with a GP to be offered a vaccination, we were able to achieve a return to campus life for the start of the 2021/2022 academic year.

The refurbishment of Quad North which commenced in 2020 completed in May 2022. This has created the home of the Brunel Medical School (BMS), which has welcomed its first intake of medical students in September 2022, as well as providing updated, modern space for the departments of Chemical Engineering and Psychology.

Work commenced this summer on providing new facilities through the refurbishment of two existing buildings for the Brunel Centre for Advanced Solidification and Technology.

Work to refurbish the office space for our Student Union sabbaticals and the Union Chief Executive as well as work to extend the SU bar on the Ground floor of the Hamilton building was completed in spring 2022. The remaining work to create a new terrace in the Quad and improve accessibility has been completed in autumn 2022.

Work to create additional social space for students on the first floor of the Hamilton building was completed in autumn 2021 and *Brunel Social* is now open and is being used with positive feedback.

A brief for the refurbishment of the Bannerman building was produced and the first steps to develop a scope for a design team are underway. The project will address the underlying infrastructure issues with the building, improve energy efficiency and create much needed teaching and learning space for students.

The work and consultancy requirements to produce a masterplan for the campus are in train with the aim of building upon the existing studies and work that have already been produced, rather than starting from scratch. Work is also underway to develop an energy strategy for the campus, which will include items such as energy provision, delivery and management in addition to considering some other items such as electric vehicle charging.

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

With the recent appointment of a new Chief Digital Information Officer, work has begun to refresh our Digital Strategy as well as to identify synergies between the Digital Strategy and the Estates Strategy and to develop key priorities for the efficient delivery of the university's academic endeavour.



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

5. Global impact

With the approval of a revised International Strategy by the Executive Board in June 2021, work has continued to operationalise the strategy and communicate to the wider university community. Specifically, we continue to work with agents and our affiliate college, Brunel Pathway College (BPC) to attract students from across the globe to all departments of the University. We will continue to improve on our marketing, agent support and customer service and focus it where it will be most effective.

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

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

Our funding application for the Turing scheme in 2022/23 was submitted in spring 2022 with the outcome announced in mid-July, allowing very little time to prepare for the Term 1 mobilities. We welcomed an increase in the global figure to £324k, up from £296k in 2021/22.

Brexit continues to be a major challenge to several aspects of this strategy, including the ability to attract and retain staff and students from the EU and to access EU research funding and networks, with 2021/22 seeing a slight recovery in the fallow period of student exchange, study abroad and summer schools due to Covid-19. We took advantage of this hiatus to re-set our ambitions for these forms of mobility, to provide new opportunities for our students and to grow our income from incoming short-term students.

Brunel remains committed to UUK's *Go International – Stand Out* campaign, with a commitment on the part of the university to boost the number of students who work, study or

volunteer abroad – and to broaden access to those opportunities. It is important to highlight that there are opportunities as well as risks, in particular on the international side, capitalising on the changes to the post study work visas and the Global Talent Scheme, as well as research opportunities resulting from ARIA and *Global Britain in a Competitive Age*.

Key international collaborators

We continue to build partnerships with universities, research institutes and businesses across the world.

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

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

Our other TNE activity is in Bahrain, where we offer PhD programmes at Ahlia University, and we continue to explore new TNE opportunities. The impact of this work will be to increase the number of overseas students studying for a Brunel degree, either at a partnership or in a TNE programme. The contribution of TNE to the proportion of the growth in our international students from

partner organisations will form part of our new strategy development discussions in autumn 2022.

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

Study Abroad Strategy

We are also seeking to internationalise the experiences of home students studying on the Brunel campus. Our Study Abroad Strategy (2020) aims to grow and develop Brunel's Study Abroad and Student Exchange programmes to provide unique global mobility options for students, and also to generate new revenue streams. We are expanding the opportunities for students to undertake voluntary activities, work placements, summer schools and academic exchanges as part of their (co)-curriculum.

In recent years we have developed opportunities in China, Colombia, South East Asia, India and the USA. The impact of this will be to give our students opportunities to have life-changing experiences that help them develop as global citizens – preparing them to work in an international environment.

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

Sustainability and Environment

Brunel continues to maintain a focus on our environmental impact on and off campus, and the sustainability of our operations. We are updating all relevant policies and procedures, and have a university-wide environment and sustainability strategy in development. Cross-campus engagement in these issues is being facilitated through three working groups involving both academic and professional staff, events for students and staff, and specific initiatives. We have prioritised improving our scores in the People and Planet scheme to focus our short-term improvements, are working closely with the local authority and other stakeholders to enhance the sustainability of our campus, and have recognised the centrality of these issues through the appointment of a Pro-Vice Chancellor International and Sustainability.



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

Financial review

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

In common with other institutions in the USS, the scheme deficit has been a feature of the University's financial statements since the adoption of FRS102 for 2015/16 reporting. The income and expenditure impact of the deficit provision revaluation (which does not impact the University's cashflow) is significant and an

adjusted presentation is shown below to enable the comparison before and after its impact to be made.

As the sector experienced following the 2017 and 2018 valuations, conclusion of the 2020 USS valuation cycle has driven a significant adjustment in the pension deficit provision recognised in the University's financial statements. At summary level, the 2020 deficit recovery plan requires greater contributions over a longer period compared to the previous deficit recovery plan, resulting in a £46.9m adverse movement on the USS provision in 2021/22. The movement had been expected to be significantly greater, but recent

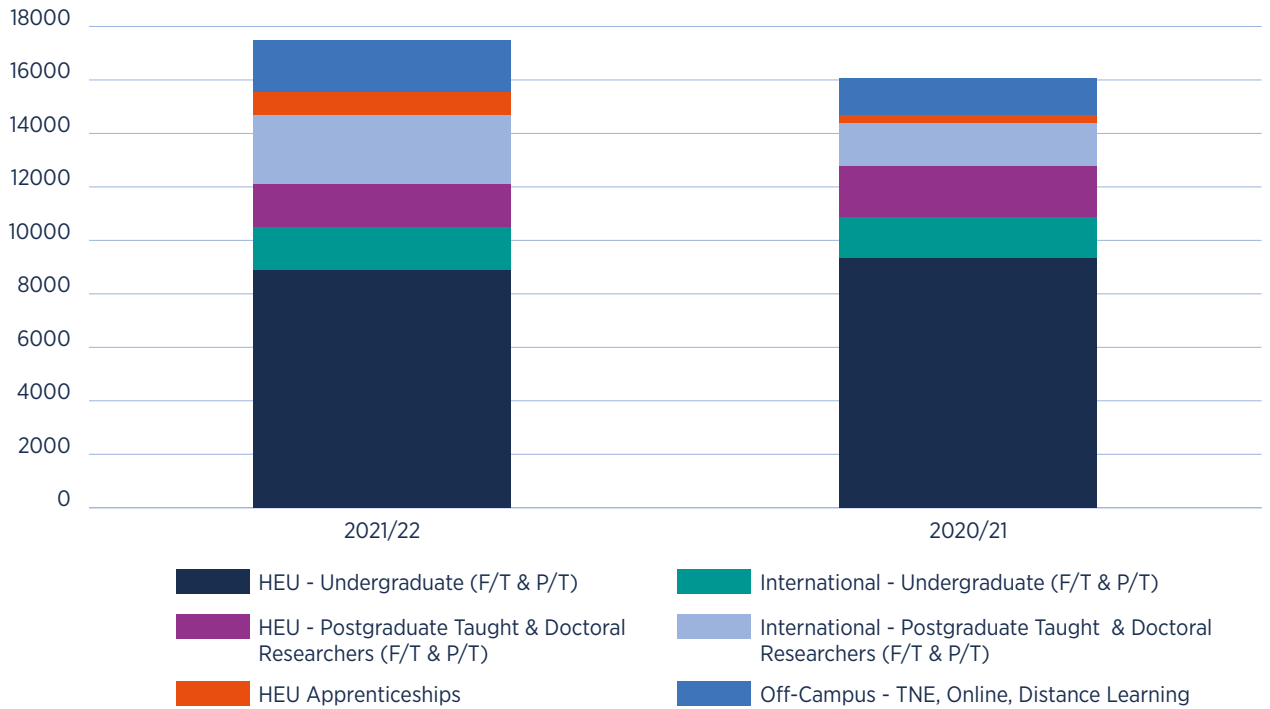
increases in interest rates have lessened the growth in the liability. All universities participating in the USS have been similarly impacted.

The University generated a surplus before pension revaluation and impairment adjustments of £6.2m against a deficit of £(10.0)m in 2020/21. This is reflective of the recovery following the impact of the Covid-19 pandemic specifically in commercial income. The net cash flow from operating activities was £22.2m (8% of income). The level of cash (cash and short-term investments) at the end of July 2022 was £78.7m, in line with the prior year closing position.

Operating results

	2021/22	2020/21	2019/20	2018/19
	£'m	£'m	£'m	£'m
Income	271.3	234.0	237.1	229.8
Expenditure – Before USS Deficit Revaluation and Impairment	(265.1)	(244.0)	(235.7)	(224.7)
Surplus /(deficit) - Before USS Deficit Revaluation and Impairment	6.2	(10.0)	1.4	5.1
USS Deficit Revaluation (see note 23)	(46.9)	(4.1)	20.3	(35.0)
LPFA Age Discrimination Provision (see note 30)	-	-	-	(1.0)
Impairment Adjustments	-	(8.7)	(0.3)	(1.5)
Surplus / (Deficit) After Non-recurring Items	(40.7)	(22.8)	21.4	(32.4)
Net Operating Cashflow	22.2	28.0	11.9	23.6
Cash and Short-Term Investments	78.7	78.7	57.5	55.8

Student Numbers



Overall student numbers were 17,486 representing an increase on the prior year of 9%.

International undergraduate numbers were up 6% versus 2020/21, and international postgraduate taught numbers were up 64% on the prior year as a result of the continued focus and targeted recruitment action in

Europe, North America, China and India. Home and European Union (HEU) undergraduates decreased by 5%, with a decrease of 283 students within HEU postgraduate taught students.

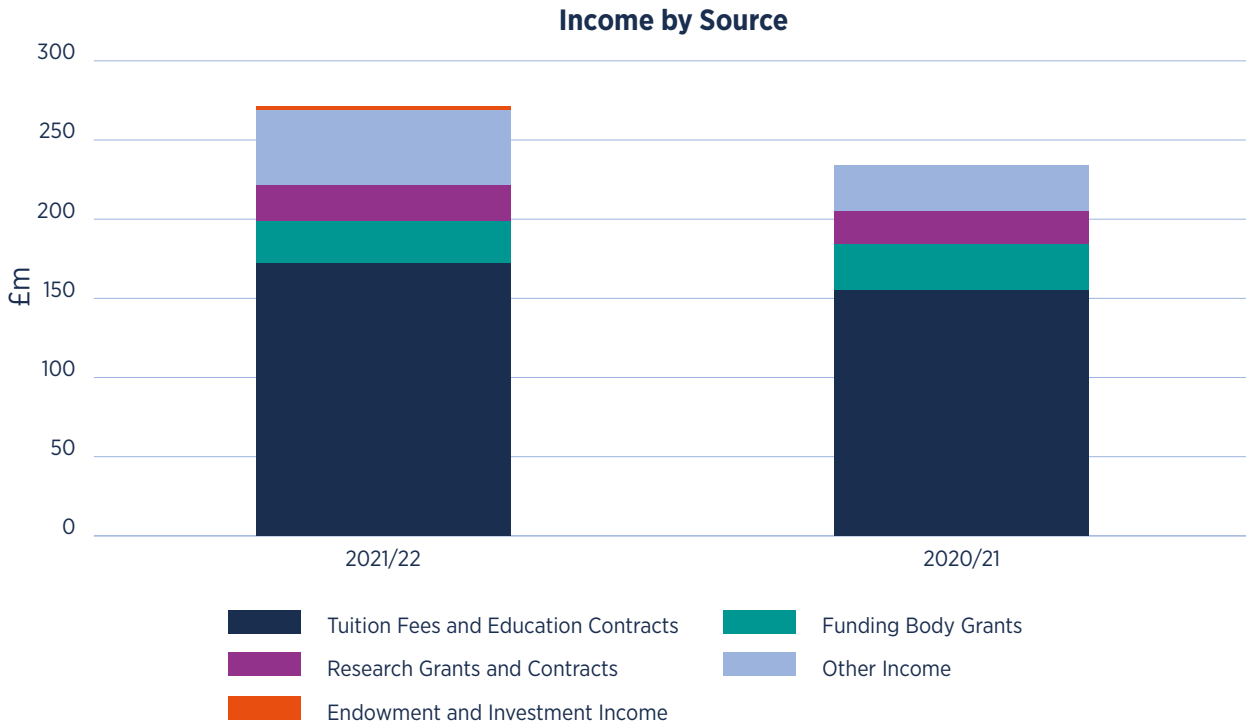
The introduction in 2020/21 of degree apprenticeships in partnerships with the Metropolitan Police Service and the NHS has grown student numbers by 614

students. The continued development of our strategic educational partnerships with target universities and the expansion of our delivery of TNE has resulted in an additional 247 students against 2020/21; with our online provision delivering year on year growth of 267 students.



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Income



Total income for 2021/22 was £271.3m, £37.3m (16%) higher than in 2020/21.

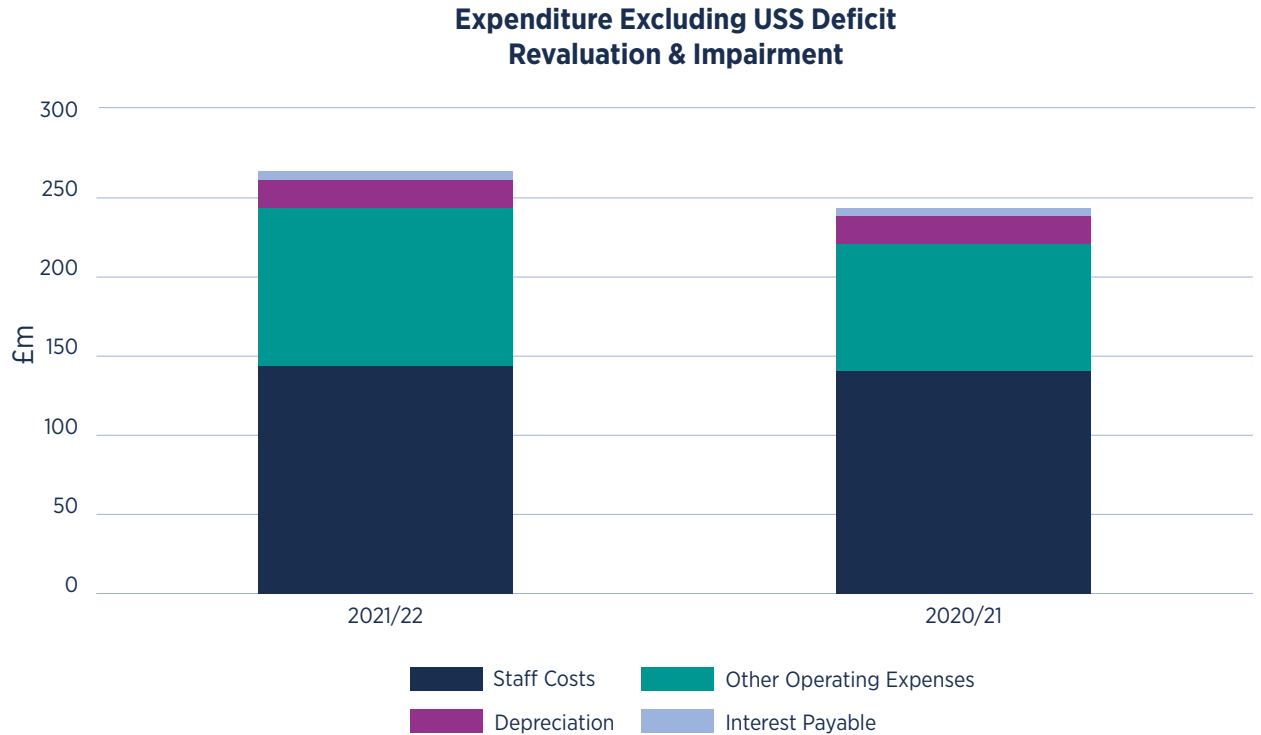
This improved income position was driven principally by the increased tuition fees as a result of having a higher number of students than in the prior year. Tuition fee income increased by £17.2m to £172.2m; and other income increased year on year by £19.2m. Other income also includes income from student residences, conferences, hotel and retail operations and also revenue from

summer school activity for foreign language students on the campus. All categories were significantly impacted by the pandemic in the prior year, and the improved income reflects the start of the post pandemic recovery in these areas.

Research grant income for 2021/22 was £1.5m higher than in 2020/21 on a recognised income basis. Research income reflects the timing of work undertaken on research grants, as income is recognised in the

financial statements over a period typically averaging three years. The improvement reflects a greater level of research activity as the restrictions imposed by the pandemic were lifted.

Expenditure



Excluding the impact of changes in the USS pension recovery programme and impairment adjustments expenditure was £21m (8.6%) higher than in 2020/21.

The majority of expenditure (54%) related to staff costs. Excluding pension adjustments, staff costs of £143.9m were £3.0m (2.1%)

higher than in 2020/21 as a result of general staff inflation.

Other operating expenditure of £99.6m (excluding USS pension recovery plan changes and impairment adjustments) has increased by £9.6m (10.6%) reflecting costs to deliver our online programmes which have seen

increased student numbers from the prior year, costs associated with greater commercial activity and income as well as inflationary cost increases. Depreciation costs are broadly in line with the prior year.

Cash and debt

The University generated £22.2m in cash from operating activities and ended the year with £78.7m in cash and short-term investments.

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

The University has borrowings of £79.6m (of which £1.9m is due within one year) which are repayable over 20 years with a final payment of £27.2m due in 2040. Borrowings have reduced by £3.5m since July 2021. To mitigate interest rate fluctuations over that period, the University has a series of interest rate swap agreements, which result in a net interest rate on the long-term loans of 4.8% throughout their term. The debt is secured against part of the University's property portfolio.

Endowment assets

The University endowment reserves total £1.6m. All funds are held in cash and in line with the Treasury Policy, funds are invested with financial institutions with ratings as described above.

Capital expenditure

Capital expenditure totalled £22.9m in 2021/22 (2020/21: £16.7m), as we continue our planned programme of capital investment to address our strategic priorities. Expenditure in 2021/22 included continued work on the facilities for the Medical School which welcomed its first cohort of students in September 2022. In partnership with Ealing Trailfinders Rugby Academy, the Rugby Performance centre with a world

class artificial grass pitch and high-performance gym was completed during the year. Essential student refurbishment work on student residencies and social space was completed; with continued capital expenditure relating to improving the digital infrastructure and cyber security information technology projects.

Principal risks and uncertainties

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

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

- the remaining impact of Covid-19, with its operational impact, changes to the HE environment and the financial challenges it has presented and continues to present into the 2022/23 academic year.
- Fixed UK undergraduate tuition fees since 2012 against the backdrop of increasing inflation and the rising cost of living crisis, representing a real term cut in income.
- the ongoing changing external funding environment, legislative changes and compliance requirements, the outlook for our pension schemes and changes to national insurance contributions.
- failure to maintain or enhance teaching and learning quality and student satisfaction.
- the current heightened cyber security and risks to data security

that have seen the higher education sector targeted.

- generating sufficient cash to support the University's strategic goals.

Staff costs are the largest individual component of the University's expenditure. A challenge facing the University, along with many others, remains the long-term position of the main UK university sector pension scheme, the Universities Superannuation Scheme (USS). The University has adopted the 2020 valuation of the USS scheme in these financial statements (see note 23).

Having successfully navigated out of the pandemic the university achieved a surplus of £6.2m (before pension adjustments and impairment) compared to a deficit of £10.0m in the prior year. This demonstrates the financial resilience and sustainability of the institution as it returns to pre-pandemic levels of activity.

Financial sustainability

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

Through the Covid-19 pandemic the University accelerated investment in digital infrastructure to support students and staff in order to ensure the University was able to continue operating. Lessons learnt during this period on improved ways of working and operating have been embedded into general operating practices going forward.

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

Having successfully navigated out of the pandemic the University achieved a surplus of £6.2m (before pension adjustments and impairment) compared to a deficit of £(10.0)m in the prior year. This demonstrates the financial resilience and sustainability of the institution as it returns to pre-pandemic levels of activity.

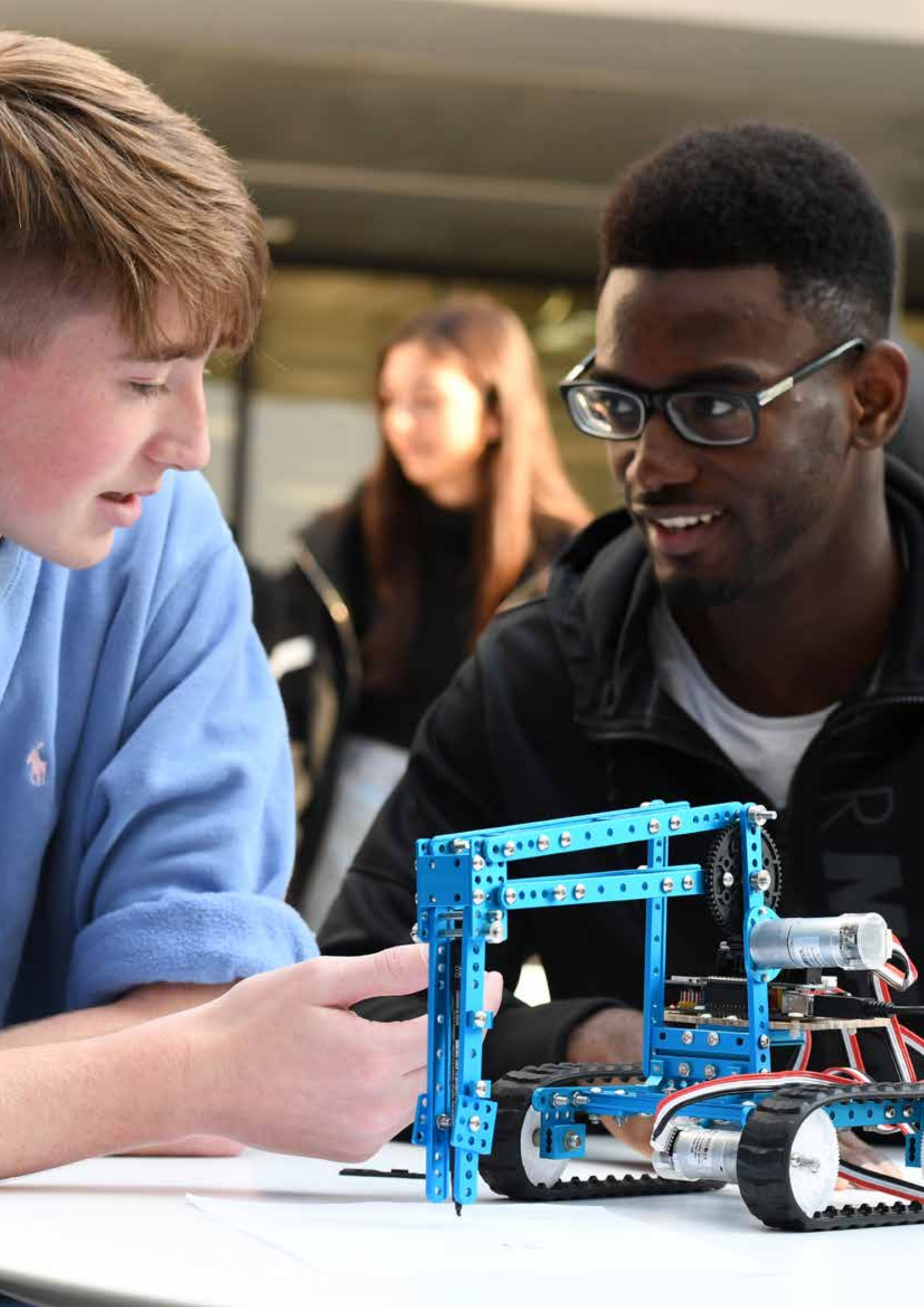
The University is committed to maintaining its long-term financial sustainability and will take the required actions, which include growing income across a number of areas, looking to use its assets more effectively, particularly unused or underutilised assets, and targeting its expenditure more efficiently.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

Future outlook

Whilst the challenges facing the University and the wider UK higher education sector cannot be underestimated, Brunel remains in a sound financial position. The University has a major role in delivering economic and social recovery through the delivery of appropriately skilled individuals and research which brings direct benefit to the communities we serve. We also continue to seek to grow our education exports by expanding our post graduate taught provisions.

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.

Professor Andrew Jones
Vice-Chancellor and President



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

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

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

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

And our values:

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

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

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

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

Access and participation

Brunel has an enviable reputation for both encouraging aspiration and

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

Brunel's Access and Participation Plan 2020/21-2024/25, approved by the Office for Students, sets out how the University will improve opportunities for students from underrepresented groups to access, succeed at, and progress from higher education. Our Access and Participation Plan is written in partnership with the Union of Brunel Students and outlines our ambition for change, targets, and our plan and investment strategy for delivering these objectives. The University's Access and Participation Plan and Impact Report are available here: **Access and Participation Plan | Brunel University London**

We are committed to robustly evaluating our activities to ensure that we are delivering meaningful and measurable impacts for our students and other stakeholders. In 2021/22 we completed the fifth year of our comprehensive monitoring and evaluation process, which includes mid-year and end of year reviews, and we are beginning to see tangible outcomes. All projects have a clear theory of change supported by academic evidence, and have a structured evaluation plan, increasing our ability to deliver and share demonstrable results.

We are actively engaged in improving the sector's practice and evidence base, with projects sharing their work across a variety of networks and conferences. A particular highlight this year was the Professional Mentoring Programme winning the *Student Social Mobility Award 2022 for University Progression Initiative of the Year*.

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

Access to HE

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

Brunel attracts a diverse student body, with 85% of the Home/EU population falling into one or more of the following categories: low household income; POLAR quintile 1; Black, Asian, minority ethnic; mature; disabled; and care leavers. The proportion of mature entrants (13%) and students from lowest-participation neighbourhoods (12% from POLAR quintiles 1 and 2) are relatively low, and we are actively working to increase our engagement with these groups.

Brunel's outreach activities in 2021/22 targeted students from underrepresented groups with particular emphasis on students living in low participation neighbourhoods, mature students and care-leavers. In 2021/22, the Widening Access team engaged with 13,041 students. Of these, 3,822 were through events on campus, 114 through virtual events, and 9,105 through off-campus events. Activities on campus and provided virtually included:

- Campus visits raising awareness of Higher Education (Year 5 - Year 13);
- Subject taster days (Year 7 - Year 13);
- Bespoke events for particular groups; and
- *Next Step Forward* e-mentoring programme (Year 12).

Activities provided in schools, colleges and community organisations included:

- Talks for students, parents/ carers and community groups around different aspects of higher education, including applying to university, student finance and personal statements;
- Attendance at parents' and options evenings;
- Attendance at careers events and HE awareness events;

- Workshops, student panels, mock interviews and speed networking;
- Support for regional initiatives; and
- Collaborative events.

Brunel is recognised for its efforts to encourage the entry of care leavers into the university and its efforts to provide specialist support for this group. A dedicated Widening Access Officer works collaboratively with the London Borough of Hillingdon Looked After Children (LAC) and Leaving Care Service. We work in partnership to listen to care leavers and develop programmes that work for young people. As part of this we deliver a number of annual events, including an LAC residential on campus, and support events such as Hillingdon's Stepping Out programme where our care leaver Student Ambassadors attend to discuss key challenges and improvements.

Our work with virtual schools, including Lewisham, Brent, Harrow and Hillingdon, continues to take place with a steady increase of interest from other virtual schools. We are members of the National Network for the Education of Care Leavers (NNECL), and are in the process of submitting our expression of interest to participate in the quality mark to highlight our intention to further enhance the support we provide for this vulnerable student population.

The university also works to raise attainment in schools. The Urban Scholars programme is focussed specifically on providing enriched learning experiences for gifted and talented students aged 12 -18 years from the Greater London area. The students, from socially deprived areas and in receipt of free school meals, are selected on the basis of their academic talent or the potential to achieve highly, which is nurtured at monthly Saturday sessions which, in 2021/22, were delivered through a mixture of in-person and virtual activities.

Scholars respond positively to the programme, not only by demonstrating higher academic

success and orientation towards university education, but also by acquiring a greater level of self-confidence, resilience and a capacity for critical thinking. Case studies of past scholars indicate that the programme has had a great impact on their lives and aspirations.

The Brunel Young Scholars scheme hopes to stir the 'missing ingredient' into primary education by supplying parents of children receiving Pupil Premium with materials designed to help them identify and hone their child's individual talents and boost their learning potential and wellbeing. Parents are provided with materials which help them recognise and nurture their child's talents and passions, including an activity book covering topics such as raising aspirations, setting up home projects and developing critical thinking.

We work in partnership to listen to care leavers and develop programmes that work for young people. As part of this we deliver a number of annual events, including a Looked After Children residential on campus, and support events such as Hillingdon's Stepping Out programme where our care leaver Student Ambassadors attend to discuss key challenges and improvements. Our work with virtual schools, including Lewisham, Brent, Harrow and Hillingdon, continues to take place with a steady increase of interest from other virtual schools.

Success in HE

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

Brunel's non-continuation rates overall compare favourably with

the sector but our ambition is to close institutional gaps in attrition and awards, particularly for Black and Asian students, and build on current support for care leavers and mature students. A review of our Student Success Project in 2019/20 recommended a focus on anti-racism and the embedding of the various strands of project work into a wider university anti-racism strategy. We implemented this recommendation in 2020/21, through the appointment of an anti-racism officer who has developed a training programme which was rolled out to all academic staff in 2021/22.

We are increasing our support for departmental projects, and in 2020/21 we saw the completion of two projects aimed at improving outcomes for underrepresented students in Physiotherapy and Finance & Accounting. We have also explored the experiences of undergraduate students from military families, a group that is still underreported in the sector. The importance of engaging with students and understanding their experiences when developing curricula and interventions have come through in all the projects, and in 2021/22 we supported ten departmental action research projects aimed at improving award outcomes for underrepresented groups of students. We will support the projects to share their findings over the course of the 2022/23 academic year.

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

Our dedicated Student Support and Welfare Officer continues to provide support for care leavers, estranged students, mature students, young carers and refugees. Services include one-to-one appointments for support and advice, access to long-term loan laptops, emergency summer accommodation funding, support groups, social events and access to book vouchers. During the latter part of the year we have built a Student Engagement Team which will proactively monitor engagement so that timely support can be provided; the Team will be fully operational from September 2022.

Progression to employment and further study

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

Activity to support the retention and employability of students from underrepresented groups during 2021/22 included the continuation of the Brunel Summer Internship Programme, with 203 students completing a programme of business etiquette workshops and 100 students successfully completing summer internships with external employers. In addition, we have offered 80 internships at Brunel, and supported 20 placement opportunities in our research labs.

The impact of the internships is reflected in the number of students getting offers of part-time employment, graduate scheme fast-track or substantive placements with a range of external employers.

The Graduate Outcomes data, a survey 15 months after graduation, is now available for our 2019-20 graduates. The impact of Covid-19 is still evident, and our Black, Asian and ethnic minority students and those from disadvantaged backgrounds are less likely to be in graduate level employment. We know that placement

and internship experiences can make a difference to outcomes, and we are therefore expecting to see positive outcomes from our efforts to create more paid and flexible opportunities for students to engage with.

The Brunel Professional Mentoring Programme continued to run in 2021/22. The programme includes face-to-face and e-mentoring for second- and third-year undergraduates from under-represented backgrounds, drawing on experienced individuals from employers in the private and public sectors to serve as mentors.

There were 324 matched mentoring pairs in 2021/22 (an increase of 6 % on the previous year). In recent years the scheme has expanded to include mini internships and other career development events such as practice video interviews and mock group assessments. Over 110 employers currently support the scheme including, the Foreign and Commonwealth Office, Blake Morgan LLP, GlaxoSmithKline, HM Revenue & Customs, Jaguar Land Rover, PricewaterhouseCoopers, the Government Legal Service and Brunel.

The Kickstart project continued in 2021/22. The aim of the programme is to contact recent graduates from a targeted group of under-represented students eight to twelve months after graduation and to offer them the opportunity to receive further intensive support, advice and coaching to help them either to gain employment or improve their employment prospects.

The focus was on supporting aspects of the job search such as CV writing and interview techniques, and crucially to develop confidence in those graduates possibly discouraged or jaded after a number of months still not in graduate roles.

An additional element, first introduced for 2020/21, is to provide opportunities for these graduates to gain professional experience, additional skills, and a knowledge of the workplace, and 18 paid graduate internships were offered in 2021/22.

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Bursaries and student financial support

The University offers bursaries, fee waivers and financial support to a wide range of students of limited financial means from different backgrounds and with different talents, and over 1,000 Home and eligible EU students are in receipt of scholarships and bursaries. The Lifelong Learning Bursary was offered for a second time in 2021/22, and 18 mature students undertaking undergraduate study are in receipt of a full fee waiver. This seeks to support those returning to education who might otherwise not be able to because of the financial commitment.

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

Brunel Volunteers

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

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

In 2021/22 Brunel Volunteers worked with 47 external organisations which enabled 641 students to complete 9,418 volunteering hours.

As part of the transition into a new hybrid way of working, the Brunel Volunteers Team were able to engage with some of Brunel's community partners to assist with a variety of key community volunteering activities in Hillingdon and beyond. These activities saw Brunel students supporting the London Borough of Hillingdon with delivering The Day of The Older Person in the Pavilions Shopping Centre, helping the London Wildlife Trust celebrate Earth Day 2022 at the Uxbridge Grove and taking part in the Brunel Volunteers inaugural Social Hackathon as part of Student Volunteering Week 2022.

Brunel Volunteers were also once again able to provide peer to peer support to new students via the Brunel Buddies scheme. In total 154 new students received support from 93 Brunel Buddy volunteers.

2021/22 also saw the return of Brunel students to volunteering roles within hospital and community healthcare environments. With Brunel Volunteers partnering with 6 different NHS Trusts across London, students were able to engage in a variety of unique and rewarding voluntary roles that had previously been suspended due to the Covid-19 pandemic.

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 2022, and for the period extending to the date of signature of these financial statements.

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

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

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

- accepts responsibility for the interactions between the

University and the OfS and its designated bodies;

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

Council approves major developments and receives regular reports from the Executive Officers on the day to day operations of its business and its subsidiaries. Its objects, powers and framework of governance are set out in the Charter and the supporting Statutes. The versions applicable in 2021/22 were approved by the Privy Council in July 2014.

In 2021/22, the matters specifically reserved to the Council for decision were set out in the University's Supplemental Charter and the Ordinances. Like most public bodies it operates within a strong framework of regulation, and endeavours to conduct its business in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership). Council has a majority of members from outside the University (described as independent members), from whom its chair and deputy chair must be drawn. Members also include representatives of the staff of the University and the student body. None of the independent members receives any payment, apart from the reimbursement of expenses, for the work they do for the University. Not only does the University comply with all mandatory requirements, but it also strives to operate in accordance with relevant best practice and accordingly, the Council has taken account of the UK Corporate Governance Code, and the OfS Accounts Direction requirements. The University agreed in principle to adopt the Committee

of University Chairs (CUC) Higher Education Code of Governance 2014 (the Code) at its meeting of Council on 29 January 2015. The Code was revised in June 2018.

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

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

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

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

The University has published information about its governance arrangements and committee structure on the Brunel website [here](#). This includes biographies of Council members and other senior officers. Further information about the committee structure and

membership is disclosed in the Financial Statements each year and past copies of the Financial Statements are available on the University's website [here](#).

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 six times in the 2021/22 academic year. There are several Committees of Council that are formally constituted with written terms of reference and specified membership, including a significant proportion of independent members, from whom the chair is selected. In the case of the Audit Committee, it is entirely composed of independent members appointed by Council from amongst its members, and co-opted independent members appointed by Council. The Chair of Council is ex-officio on all Council and Joint Committees, except the Audit Committee.

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

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

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

The Remunerations Committee reviews and determines the salary and conditions of service of the Vice-Chancellor and 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 2021-22 is set out in the next section of these financial statements, starting at page 34.

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 Auditors on their own for independent discussions at least annually. The Committee and Internal Auditor each present an Annual Report to Council. It is the Audit Committee that formally recommends the annual audited accounts to Council.

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

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

Day-to-day management of the University is conducted through the Executive Board. The Executive Board normally meets monthly to consider the strategic and financial direction of the University. The attendance record for members of Council and its Committees was

monitored over the course of the year and the average attendance in 2021/22 was 81%.

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

The Council is also responsible for the safeguarding of assets and oversight of systems to prevent and detect fraud and for the University's system of internal control and for reviewing its effectiveness. The system has operated effectively for the financial year to 31 July 2022, and for the period extending to the date of signature of these financial statements. It has established the processes to comply with the direction from the Regulator for the identification, evaluation and management of the key risks facing the University. Council has responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, whilst safeguarding the public and other funds and assets for which it is responsible, in accordance with the responsibility assigned to the Council in the Charter and Statutes. Such a system is designed to manage, rather than eliminate the risk of failure to achieve business, operational, compliance and financial objectives, and it can therefore only provide reasonable and not absolute assurance of effectiveness.

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

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

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

The Council has adopted a risk management policy, and has identified where the principal management responsibility rests for risk management. The Council is of the view that an ongoing process for identifying, evaluating and managing the University's significant risks has been in place and operating effectively during the year 2021/22.

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



Remunerations Committee Report

Introduction

This is the annual report of the Remunerations Committee for the academic year to 31 July 2022 which describes its role, remit, membership and sets out the work it undertook and how it discharged its responsibilities. It sets out the decisions taken by the Committee in respect of the remuneration of the Vice-Chancellor and President and senior roles falling within its remit.

Context

Senior pay in universities has continued to be a sensitive issue both within the sector, politically and publicly through press attention to the topic, along with the UK university pension negotiations. 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. In making individual remuneration decisions, the Committee has been informed by salary benchmark data, retention considerations and relevant market conditions. These factors are also considered in setting starting salaries. In respect of the pay reviews in 2021/22, the Committee agreed that the university would only mirror the 1.5% JNCHES pay award for colleagues earning less than £100k. Colleagues earning more than £100k (most of the senior leadership team) did not receive any pay increase. This was due to the continued uncertainty and additional costs associated with Covid.

Remit and membership

The terms of reference for the Committee concern the remuneration of the Vice Chancellor and their direct reports, severance decisions above a threshold, broader remits to review salary increases for professors and senior managers and to consider reward schemes in the institution. The terms of reference are available here.

The Committee's members were:

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

Ms Lucinda Hunt, (until 31 March 2022), Deputy Chair of Council & independent member of Council

Dr Vineta Bhalla, (from 1 April 2022), Deputy Chair of Council & independent member of Council

Ms Hema Ghanitwala, independent member of Council

Prof Mike Spyer, (until 31 July 2022) Chair of Council

Dr Kevin Thomas, independent member of Council

Mr Chris Maw, independent member of Council (from 7 July 2022)

Prof Julia Buckingham (until 31 December 2021), Vice-Chancellor and President

The Secretary to the Committee was Eliot Glover.

Meetings were also attended by Gemma Bailey (Director of Human Resources), Rebecca Lingwood (Provost), Andrew Murphy (Chief Financial Officer), Sofia Avgerinou, Associate Director Human resources – Employment Services, Teresa Waller, Director Research Support and Development Office and John Rushforth, external adviser. No committee member or attendee was present during discussion of their own remuneration.

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

Scope of the Remunerations Committee

The roles whose remuneration was the direct responsibility of the Committee in 2021/22, can be found at Annex A, and include the University's Senior Leadership Team and high earners (in this context 'higher earners' are deemed to be staff whose remuneration (excluding pension) is

£100,000 or more). The Committee receives from the Vice-Chancellor and President reports on the performance of the individuals concerned together with recommendations for the review of their remuneration which inform the Committee's decisions. It also approves the salary of new appointees whose remuneration (excluding pension) is £100,000 or more.

Reward strategy and policies

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

These include:

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

Benchmarking

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

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

The coronavirus pandemic has had a profound impact on the sector, both

generally and on its finances. It is clear from the benchmarking data for 2020/21 that many institutions suspended their normal remuneration reviews for employees paid outside the JNCHES pay framework to protect their institution’s financial position. The Committee agreed to adopt a similar position for the University and members of the senior leadership team and high earners did not receive a salary increase in 2021/22.

Meetings in 2021/22

The Committee held four scheduled meetings during the year, on 15 September 2021, 4 November 2021, 3 February 2022 and 4 April 2022.

The agendas included:

- Decisions on the pay of roles within the Committee’s remit;
- Agreeing the content of the annual remuneration report;
- Revision of the Committee’s terms of reference;
- Considering and approving:
 - The salary sacrifice of USS employee contributions;
 - The annual report on gender, ethnicity and disability pay gaps;
 - Base Pay and PRP Framework;
 - Review of Reward Strategy and Policy; and
 - The Senior Staff Reward Strategy and salary review process.
- Receiving and commenting on updates concerning:
 - Sector developments in pay and remuneration governance;
 - HR proposals to support the Covid-19 recovery strategy;
 - Equal pay data;
 - The Covid Corporate Finance Facility;
 - UCEA 2021/22 pay round consultation; and
 - The senior leader’s consultancy roles policy.

In addition, the Committee received updates about and agreed the

University’s response to consultations via Universities UK concerning the USS pension scheme.

Remuneration of the Vice-Chancellor and President

Considering the significant impact of the pandemic on the University’s financial position and the decision to pause salary reviews for other senior leaders and high earners, the Vice-Chancellor’s salary remained unchanged at £315,580 until 31 December 2021, when the incumbent left the post. The new Vice-Chancellor’s basic salary was approved at £225,000.

The elements of the former Vice-Chancellor’s remuneration for the period 1 August to 31 December 2021 were:

Salary	£131,592
Benefits	£42,170
Total	£173,762

The elements of the new Vice-Chancellor’s remuneration for the period 1 January 2022 until 31 July 2022 were:

Salary	£131,250
Benefits	£31,664
Total	£162,914

The total remuneration for the Vice-Chancellor position for the year 2021/22 was:

Salary	£262,842
Benefits	£73,834
Total	£336,676

Note that the former Vice-Chancellor did not receive a full pension contribution (only the life assurance element). The new Vice-Chancellor is a full member of the USS pension scheme and also receives private medical insurance. Neither the former nor the current Vice-Chancellor had the use of any property.

The Vice-Chancellor’s salary was 5.08 times the median for all staff

(2020/21: 7.2); the total remuneration was 5.34 times the median for all staff (2020/21: 6.1). The ratio has decreased this year compared to last year, reflecting the appointment of our new Vice-Chancellor following the retirement of the previous Vice-Chancellor who had held the position at Brunel for over 9 years.

The responsibilities of the Vice-Chancellor include:

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

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

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

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

The University now has more than 17,400 students. Over 5,000 are postgraduates and more than 2,300 come from outside the UK and EU. Income is £271m, with c8% of it from research. There are c3,000 staff. Teaching and research are enhanced and sustained by international as well as UK funding and by strong

international partnerships with institutions in Brazil, the Middle East, China and South East Asia.

The Remunerations Committee sets pay for the Vice Chancellor taking account of the nature of the role and the institution as described above, but also performance. Many of the performance indicators are linked to the **2030 Strategy**, which has five themes:

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

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

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

The former Vice-Chancellor's salary was at the upper end – but not the top – of the benchmark group, reflecting her experience and track record of achievement in leading the university. Her total remuneration was around the middle of the benchmark group, because – unlike most others – she did not take a full pension contribution (or cash in lieu) and did not have university accommodation. The current Vice-Chancellor's salary is £225,000 per annum, which is just below the median pay for the sector, reflecting his new appointment.

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

Annex A:

The Senior Leadership Team

Vice-Chancellor & President
 Provost
 Vice-Provost, Research
 Vice-Provost, Education
 Vice Provost, International and Academic Partnerships
 Vice-Provost and Dean of College (College of Engineering, Design and Physical Sciences - CEDPS)
 Vice Provost and Dean of College (College of Business, Arts and Social Sciences - CBASS)
 Vice-Provost and Dean of College (College of Health, Medicine and Life Sciences - CHMLS)
 Chief Finance Officer/Chief Operating Officer
 Director of Human Resources
 Chief Student and Staff Officer (until April 2022)
 Director of Strategic Planning
 Principal Strategic Advisor to the Vice-Chancellor
 Registrar
 Chief Governance Officer

Statement of Primary Responsibilities of the University 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.

Council's Responsibilities for 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 have 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;
- funds provided by the Office for Students, UK Research and Innovation (including Research England) and 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 2022 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 2022, 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 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 of any actual, suspected or alleged fraud.
- Reading meeting minutes of the Council, Audit Committee, Finance Committee, Remunerations Committee, and Nominations Committee; and
- Using analytical procedures to identify any unusual or unexpected relationships.

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

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

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management or other unexpected individuals and those posted to unusual accounts combinations;

- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias;
- Inspecting a sample of research grant agreements to determine if income has been recognized in line with the University's accounting policies;
- Sample testing of students whose course dates crossed the end of the financial year to confirm if income was recognised in the correct period and deferred at year end where appropriate.

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

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the 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, 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 non-compliance 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, and 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 non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The Council is responsible for the other information, which comprises the Strategic Report, Statement and

Report on the University's Charitable Purpose and Public Benefit Activities, Corporate Governance Report, and Remunerations Committee Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

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

Council responsibilities

As explained more fully in its statement set out on page 38, 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 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 dated 25 October 2019 issued by the Office for Students.

Matters on which we are required to report by exception

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

the financial year disclosed in Note 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
15 Canada Square
London E14 5GL

2 December 2022

Consolidated and University Statement of Comprehensive Income and Expenditure Year Ended 31 July 2022

	Notes	Year ended 31 July 2022		Year ended 31 July 2021	
		Consolidated	University	Consolidated	University
		£'000	£'000	£'000	£'000
Income					
Tuition fees and education contracts	2	172,203	172,203	155,050	155,050
Funding body grants	3	26,598	26,598	29,204	29,204
Research grants and contracts	4	22,372	22,372	20,916	20,916
Other Income	6	47,695	47,550	28,462	28,287
Investment income	7	225	225	29	29
Donations and endowments	8	2,256	2,345	383	496
Total income		271,349	271,293	234,044	233,982
Expenditure					
Staff costs	9	143,920	143,887	140,905	140,862
Movement in USS Deficit Recovery Provision	9&10	45,432	45,432	2,895	2,895
Other operating expenses	11	99,555	99,535	89,939	89,916
Depreciation and amortisation	14&15	17,833	17,833	17,872	17,872
Interest and other finance costs	10	5,257	5,257	5,190	5,190
Total expenditure		311,997	311,944	256,801	256,735
		(40,648)	(40,651)	(22,757)	(22,753)
Deficit before tax					
Taxation		(5)	0	0	0
Deficit for the year		(40,653)	(40,651)	(22,757)	(22,753)
Other comprehensive income					
Actuarial gain / (loss) in respect of pension schemes	33	70,363	70,363	(3,187)	(3,187)
Change in fair value of hedging financial Instruments	21	19,973	19,973	12,385	12,385
Total comprehensive income / (deficit) for the year		49,683	49,685	(13,559)	(13,555)
Represented by					
Endowment comprehensive (expenditure)/ income for the year		(166)	(166)	163	163
Restricted comprehensive income for the year		3	3	2	2
Unrestricted comprehensive income for the year		29,873	29,875	(26,109)	(26,105)
Movement in cashflow hedge reserve for the year		19,973	19,973	12,385	12,385
		49,683	49,685	(13,559)	(13,555)

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 2022

	Income and Expenditure Reserve			Cashflow Hedge Reserve	Total
	Endowment	Restricted	Unrestricted		
	£'000	£'000	£'000	£'000	£'000
Consolidated					
Balance at 1 August 2020	1,572	183	210,194	(53,905)	158,044
Surplus / (deficit) for the year	163	2	(22,922)	0	(22,757)
Other comprehensive expenditure	0	0	(3,187)	0	(3,187)
Movement in hedge reserve	0	0	0	12,385	12,385
Total comprehensive income / (expenditure) for the year	163	2	(26,109)	12,385	(13,559)
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 income	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 31 July 2022	1,569	188	213,958	(21,547)	194,168

	Income and Expenditure Reserve			Cashflow Hedge Reserve	Total
	Endowment	Restricted	Unrestricted		
	£'000	£'000	£'000	£'000	£'000
University					
Balance at 1 August 2020	1,572	183	210,188	(53,905)	158,038
Surplus / (deficit) for the year	163	2	(22,918)	0	(22,753)
Other comprehensive expenditure	0	0	(3,187)	0	(3,187)
Movement in hedge reserve	0	0	0	12,385	12,385
Total comprehensive income / (expenditure) for the year	163	2	(26,105)	12,385	(13,555)
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 income	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 31 July 2022	1,569	188	213,958	(21,547)	194,168

The accompanying notes form part of these financial statements.

Consolidated and University Balance Sheet 31 July 2022

	Notes	As at 31 July 2022		As at 31 July 2021	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Non-current assets					
Intangible Assets	14	875	875	70	70
Tangible assets	15	405,296	405,296	401,041	401,041
Investments	16	33	33	33	33
		406,204	406,204	401,144	401,144
Current assets					
Stock	17	67	67	63	63
Trade and other receivables	18	38,279	38,279	24,159	24,157
Investments	19	35,000	35,000	32,000	32,000
Cash and cash equivalents	26	43,658	43,624	46,703	46,690
		117,004	116,970	102,925	102,910
Less: Creditors: amounts falling due within one year	20	(75,338)	(75,304)	(70,089)	(70,076)
Net current assets		41,666	41,666	32,836	32,834
Total assets less current liabilities		447,870	447,870	433,980	433,978
Creditors: amounts falling due after more than one year	22	(146,582)	(146,582)	(165,278)	(165,278)
Provisions					
Pension provisions	23	(107,120)	(107,120)	(124,217)	(124,217)
Total net assets		194,168	194,168	144,485	144,483
Restricted Reserves					
Income and expenditure reserve – endowment reserve	24	1,569	1,569	1,735	1,735
Income and expenditure reserve – restricted reserve	25	188	188	185	185
Unrestricted Reserves					
Income and expenditure reserve – unrestricted		213,958	213,958	184,085	184,083
Cash-flow Hedge reserve	21	(21,547)	(21,547)	(41,520)	(41,520)
Total Reserves		194,168	194,168	144,485	144,483

The accompanying notes form part of these financial statements.

The financial statements were approved by the Governing Body on 23 November 2022 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 2022

	Notes	July 2022 £'000	July 2021 £'000
Cash flow from operating activities			
Deficit for the year		(40,653)	(22,757)
Adjustment for non-cash items			
Depreciation and amortisation	14&15	17,833	17,872
(Increase) / Decrease in stock	17	(4)	112
(Increase) / Decrease in debtors	18	(14,120)	5,659
Increase in creditors	20	7,522	11,698
Increase in pension provision	33	53,266	8,909
Impairment of Fixed Assets		0	8,773
Adjustment for investing or financing activities			
Investment income	7	(225)	(29)
Interest payable	10	3,878	3,946
Endowment income		(295)	(263)
Capital Grant Income		(4,980)	(5,967)
Net cash inflow from operating activities		22,222	27,953
Cash flows from investing activities			
Capital Grant Receipts		5,550	15,458
Net transfer to term deposits		(3,000)	(15,000)
Investment income		225	29
Payments made to acquire fixed assets		(22,658)	(16,794)
		(19,883)	(16,307)
Cash flows from financing activities			
Interest paid	10	(3,878)	(3,946)
Endowment cash received	24 & 25	295	263
Repayments of amounts borrowed	20	(1,801)	(1,718)
		(5,384)	(5,401)
Increase / (Decrease) in cash and cash equivalents in the year		(3,045)	6,245
Cash and cash equivalents at beginning of the year	26	46,703	40,458
Cash and cash equivalents at end of the year	26	43,658	46,703

The accompanying notes form part of these financial statements.

Statement of Accounting Policies for the year ended 31 July 2022

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 2022.

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.

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, servers and network infrastructure, where individual items are above £10,000 will be capitalised. Groups of items that individually are below £10,000, even if in aggregate they exceed £10,000, will be expensed in the year of purchase, with the exception of Capital Projects equipping classrooms with 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 (SOCl) 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. Cloud-based and licensed software is expensed in the year of purchase on the basis that the asset is not owned by the University.

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 £25,000 have been capitalised and recognised at the cost or value of the acquisition, where

such a cost or valuation is reasonably obtainable. Heritage assets are not depreciated as their long economic life and high residual value mean any depreciation would not be material. The assets are subject to an annual impairment review in accordance with applicable accounting standards.

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. At 31 July 2022, the methodology for calculating the CPI inflation rate has changed since Barnett Waddingham's standard CPI assumption has been used this year. A

consistent methodology with the prior year would result in a CPI inflation rate of 2.6% compared to the 2.75% proposed by Barnett Waddingham. Last year Mercer also proposed that the pension increase assumption be set as CPI plus 0.1%, whereas this year Barnett Waddingham has set the pension increase assumptions in line with CPI. Using the sensitivity information provided in the actuary's FRS 102 report, this change in methodology is expected to have increased the DBO by £1.8m at 31 July 2022.

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

USS Deficit Recovery Program Liability

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 2021/22 calculation, the rate of salary inflation was assumed to be 4% for 2022/23 and 2023/24, dropping to 3% thereafter. Staff numbers in future years agreed to the budget produced for July 2022 and were assumed to increase by 1% in 2022/23, rising to 3% in 2023/24 and then dropping back to 1% 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 timesheets, for general student-facing departments the costs are apportioned based on the percentage of access and participation students contained within the Brunel student population as a whole. In other teams where the work of the team is targeted at specific student groups, salaries are apportioned based on the percentage of that team's time spent supporting those students who are included within the overall aims of the Access and Participation plan.

Notes to the Accounts for the year ended 31 July 2022

Notes	As at 31 July 2022		As at 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
2. Tuition fees and education contracts				
Full-time home and EU students	85,602	85,602	92,562	92,562
Full-time international students	73,674	73,674	51,458	51,458
Part-time students	5,922	5,922	4,236	4,236
NHS Education Contract	2,861	2,861	1,541	1,541
Short Course Fees	1,837	1,837	1,464	1,464
Other Fees	2,307	2,307	3,789	3,789
	172,203	172,203	155,050	155,050
3. Funding body grants				
Recurrent grant				
Office for Students	20,325	20,325	21,893	21,893
Capital grant released in year	4,840	4,840	5,289	5,289
Specific grants				
West Focus	1,420	1,420	966	966
Other funding body grants	13	13	1,056	1,056
	26,598	26,598	29,204	29,204
4. Research grants and contracts				
Research councils	10,357	10,357	7,850	7,850
Research charities	1,475	1,475	1,017	1,017
Government (UK and overseas)	9,422	9,422	9,645	9,645
Industry and commerce	146	146	1,354	1,354
Other	972	972	1,050	1,050
	22,372	22,372	20,916	20,916
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	25,165	25,165	27,182	27,182
Grant income from other bodies	1,433	1,433	2,022	2,022
Fee income from research awards (exclusive of VAT)	22,372	22,372	20,915	20,915
Fee income from non-qualifying courses (exclusive of VAT)	7,005	7,005	6,794	6,794
Fee income for taught awards (exclusive of VAT)	165,198	165,198	148,256	148,256
	221,173	221,173	205,169	205,169

	Notes	As at 31 July 2022		As at 31 July 2021	
		Consolidated	University	Consolidated	University
		£'000	£'000	£'000	£'000
6. Other income					
Residences, catering and conferences		36,273	36,273	21,158	21,158
Other income		11,422	11,277	7,304	7,129
		47,695	47,550	28,462	28,287

7. Investment Income

Interest on term deposits		225	225	29	29
		225	225	29	29

8. Donations and endowments

Unrestricted donations		1,961	2,050	120	233
Income on endowment	24	280	280	256	256
Income on restricted reserves	25	15	15	7	7
		2,256	2,345	383	496

9. Staff costs

Salaries		105,430	105,404	104,671	104,637
Social security costs		11,469	11,466	11,301	11,298
Movement on USS provision on pensions		45,121	45,121	2,674	2,674
Other pension costs		27,021	27,017	24,933	24,927
		189,041	189,008	143,579	143,536

	2022	2021
	£'000	£'000

Total remuneration of the head of the institution**August 1 2021 to December 31 2021**

Salary	132	315
Holiday paid on leaving service	34	0
Non-taxable benefits	2	0
Pension contributions to USS	6	6
	174	321

1 January 2022 to 31 July 2022

Salary	131	0
Private Medical Insurance	4	0
Pension contributions to USS	28	0
	163	0

The present Vice-Chancellor's basic salary is 5.1 times (7.2 times previous VC July 21) 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 5.3 times (6.1 times previous VC July 21) the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration of its staff. The University has included the costs of employees who are required to be included in real-time reporting to HMRC and excluding those who are not.

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

The number of staff with a basic salary of over £100,000 per annum has been included below. The table excludes employer's pension contributions and all performance related elements; there were no performance related benefits in 2022 (2021 nil).

Basic salary per annum	Year ended July 2022	Year ended July 2021
	No.	No.
£100,000 to £104,999	18	15
£105,000 to £109,999	11	9
£110,000 to £114,999	2	3
£115,000 to £119,999	5	3
£120,000 to £124,999	4	3
£125,000 to £129,999	3	2
£130,000 to £134,999	1	1
£135,000 to £139,999	0	0
£140,000 to £144,999	0	0
£145,000 to £149,999	1	2
£150,000 to £154,999	1	1
£155,000 to £159,999	2	4
£160,000 to £164,999	0	0
£165,000 to £169,999	1	1
£170,000 to £174,999	0	0
£175,000 to £179,999	1	1
£180,000 to £184,999	2	2
£185,000 to £189,999	0	0
£190,000 to £194,999	1	1
£195,000 to £200,000	1	1
£315,000 to £319,999	0	1
	54	50

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

	No.	No.
Academic	933	899
Administrative	411	394
Professional	538	518
Ancillary, Maintenance, Miscellaneous	114	121
Technical	77	80
Student Work Placements	36	28
Hourly Paid Lecturers and Others	64	57
	2,173	2,097

Severance payments

There was £638k combined compensation for loss of office paid to 32 staff members in 2021/22 (2020/21 £677k, 43 staff members).

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

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs include compensation paid to key management personnel. Brunel considers the 14 (2021 - 15) members of the Executive Board to constitute the key management of the University. Compensation includes salary, benefits and employer's pension contribution.

	Year Ended July 2022	Year Ended July 2021
	£'000	£'000
Key management personnel compensation	2,404	2,797

Council members

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

The total expenses paid to or on behalf of 11 Council members was £168 (2021 - £2,750 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.

During the year the University entered into transactions in the ordinary course of business with other related parties. The current Vice-Chancellor is a Director and Trustee of the Campaign for Science and Engineering and the University incurred expenditure of £2k with this organisation for membership fees in 2021/22. The previous Vice-Chancellor was a director of Imperial College Health Partners Ltd, and the University incurred expenditure of £50k with this organisation in relation to membership contributions for the year 2021/22.

The University also incurred expenditure of £11k with West London Business for annual subscription fees, where an Independent Council member and a member of the Executive Board are directors, and expenditure of £16k was incurred with the Institute of Physics Publishing Board for access to publications for the year 2021/22 where an Independent Council member is the chair and honorary treasurer. Expenditure of £15k was incurred in year in relation to membership fees and courses provided by the Universities and Colleges Employers Association where the chair of Council is a board member.

Income of £37k was received in 2021/22 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.

	Notes	Year ended 31 July 2022		Year ended 31 July 2021	
		Consolidated	University	Consolidated	University
		£'000	£'000	£'000	£'000
10. Interest and other finance costs					
Loan Interest		3,878	3,878	3,946	3,946
USS Deficit Recovery program Interest	33	311	311	221	221
Net charge on pension scheme other	33	1,379	1,379	1,244	1,244
		5,568	5,568	5,411	5,411

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
11. Analysis of total expenditure by activity				
Academic Departments	101,503	101,503	90,372	90,372
Academic Services	31,805	31,805	31,156	31,156
Research Grants and Contracts	28,413	28,413	26,313	26,313
Residences, catering and conferences & Science Park	23,032	22,979	19,418	19,352
Premises	32,874	32,874	31,268	31,268
Administration	39,876	39,876	48,211	48,211
USS Pension Recovery Program	46,916	46,916	2,908	2,908
Other Services	7,578	7,578	7,155	7,155
	311,997	311,944	256,801	256,735
Other operating expenses include:				
Fees payable to the auditor for the audit of the University's Financial Statements	75	75	63	63
Audit of the financial statements of subsidiaries	5		4	
Audit related assurance services	18	18	11	11

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	266,407	266,349	254,071	254,005
Taxation Reclassification	(5)			
USS Deficit Recovery expenditure	45,432	45,432	2,895	2,895
Donor restriction related	163	163	(165)	(165)
	311,997	311,944	256,801	256,735

	Year Ended	Year Ended
	July 2022	July 2021
	£'000	£'000
12. Access and participation		
Access Investment	874	789
Financial Support	1,778	2,087
Disability Support (excluding expenditure included in the two categories above)	869	945
Research and Evaluation	90	70
	3,611	3,891

The costs disclosed above include expenditure on staff costs of £1.5m (2021 £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, although the Financial Support element is slightly lower than anticipated for 2021/22 due to the reduced demand for hardship support to students following the easing of the covid-19 pandemic.

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
13. Taxation				
Current tax expense	2	0	0	0
Deferred tax expense	3	0	0	0
	5	0	0	0

	2022		2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
14. Intangible assets				
Software				
Opening Balance	70	70	94	94
Additions	1,036	1,036	0	0
Amortisation charge for the year	(231)	(231)	(24)	(24)
	875	875	70	70

	2022		2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
15. Fixed assets				
Tangible assets comprise:				
Property, plant and equipment	405,296	405,296	401,041	401,041
	405,296	405,296	401,041	401,041

	Freehold Land and Buildings	Plant and Machinery	Assets in the Course of Construction	Total
	£'000	£'000	£'000	£'000
	Consolidated			
Cost				
At 1 August 2021	516,637	86,551	13,303	616,491
Additions	0	436	21,421	21,857
Transfers	17,586	5,933	(23,519)	0
At 31 July 2022	534,223	92,920	11,205	638,348

	Freehold Land and Buildings	Plant and Machinery	Assets in the Course of Construction	Total
	£'000	£'000	£'000	£'000
	Depreciation			
At 1 August 2021	144,776	70,674	0	215,450
Charge for the year	10,851	6,751	0	17,602
At 31 July 2022	155,627	77,425	0	233,052

	Freehold Land and Buildings	Plant and Machinery	Assets in the Course of Construction	Total
	£'000	£'000	£'000	£'000
	Net book value			
At 31 July 2022	378,596	15,495	11,205	405,296
At 31 July 2021	371,861	15,877	13,303	401,041

15. Fixed assets (continued)

	2022	2022	2021	2021
	Consolidated	University	Consolidated	University
University	£'000	£'000	£'000	£'000
Cost				
At 1 August 2021	516,637	86,551	13,303	616,491
Additions	0	436	21,421	21,857
Transfers	17,586	5,933	(23,519)	0
At 31 July 2022	534,223	92,920	11,205	638,348
Depreciation				
At 1 August 2021	144,776	70,674	0	215,450
Charge for the year	10,851	6,751	0	17,602
At 31 July 2022	155,627	77,425	0	233,052
Net book value				
At 31 July 2022	378,596	15,495	11,205	405,296
At 31 July 2021	371,861	15,877	13,303	401,041

At 31 July 2022 freehold land and buildings included £124.4m (2021 – £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.

	2022	2022	2021	2021
	Consolidated	University	Consolidated	University
University	£'000	£'000	£'000	£'000
16. Non-Current Investments				
Other investments	33	33	33	33
	33	33	33	33
At 1 August 2021	33	33	33	33
At 31 July 2022	33	33	33	33

The non-current investment above represents an equity investment in CVCP Properties plc, a company who own Woburn House in London which is used by UK Universities as a centre for administration and training.

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
17. Stock				
General consumables	67	67	63	63
	67	67	63	63

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
18. Trade and other receivables				
Amounts falling due within one year:				
Research grant receivables	7,074	7,074	6,730	6,730
Other trade receivables	14,576	14,576	9,915	9,913
Prepayments and accrued income	16,629	16,629	7,514	7,514
	38,279	38,279	24,159	24,157

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
19. Current Investments				
Short term deposits	35,000	35,000	32,000	32,000
	35,000	35,000	32,000	32,000

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 2022 the weighted average interest rate of these fixed rate deposits was 1.51% (2021: 0.14%) per annum and the weighted average period for which the interest rate is fixed on these deposits was 158 (2021: 183) days. The fair value of these deposits was not materially different from the book value.

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
20. Creditors: amounts falling due within one year				
Secured loans	1,889	1,889	1,801	1,801
Trade payables	27,581	27,564	15,337	15,340
Social security and other taxation payable	3,332	3,320	2,998	2,987
Accruals and deferred income	42,536	42,531	49,953	49,948
	75,338	75,304	70,089	70,076

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

Deferred income

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

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Other Income	11,432	11,432	11,826	11,826
Research grants received on account	13,292	13,292	16,129	16,129
Capital Grants from HEFCE and other Government sources < 1 year	2,251	2,251	4,847	4,847
Income in Advance < 1 year	26,975	26,975	32,802	32,802
Capital Grants from HEFCE and other Government sources > 1 year	47,340	47,340	44,174	44,174
Total income in Advance	74,315	74,315	76,976	76,976

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

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

	2022	2021
	£'000	£'000
Brought forward 1 August	41,520	53,905
Change in fair value of hedging instrument recognised in Other Comprehensive Income in year (100% effective)	(19,973)	(12,385)
Carried forward 31 July	21,547	41,520

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.

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
22. Creditors: amounts falling due after more than one year				
Deferred income	47,340	47,340	44,174	44,174
Derivatives	21,547	21,547	41,520	41,520
Secured loans	77,695	77,695	79,584	79,584
	146,582	146,582	165,278	165,278

Analysis of secured and unsecured loans:

Due within one year or on demand (Note 20)	1,889	1,889	1,801	1,801
Due within one and two years	1,971	1,971	1,889	1,889
Due between two and five years	8,922	8,922	8,507	8,507
Due in five years or more	66,802	66,802	69,188	69,188
Due after more than one year	77,695	77,695	79,584	79,584
Total secured and unsecured loans	79,584	79,584	81,385	81,385

Secured loans repayable by 2040	79,584	79,584	83,103	83,103
	79,584	79,584	81,385	81,385

Lender	Amount £'000	Term	Interest rate %	Borrower
Lloyds	39,529	2040	4.59	University
Lloyds	20,119	2040	4.58	University
Lloyds	19,936	2040	4.58	University
	79,584			

The secured loans are the following:

	Pension enhancement on termination	Obligation to fund deficit on USS Pension	LGPS Defined Benefit Obligations (Note 30)	Total Pension Provisions
	£'000	£'000	£'000	£'000
23. Provisions for liabilities				
Consolidated				
At 1 August 2021	1,014	34,906	88,297	124,217
Utilised in year	(116)	(1,484)	(62,413)	(64,013)
Additions in year	0	0	0	0
USS Scheme Repayment Plan contribution change	0	46,916	0	46,916
At 31 July 2022	898	80,338	25,884	107,120
University				
At 1 August 2021	1,014	34,906	88,297	124,217
Utilised in year	(116)	(1,484)	(62,413)	(64,013)
Additions in year	0	0	0	0
USS Scheme Repayment Plan contribution change	0	46,916	0	46,916
At 31 July 2022	898	80,338	25,884	107,120

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	2.96 %
Inflation	3.01 %

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

	2022	2021
Discount rate	3.33%	0.89%
Salary growth	4.00%	2.50%

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	3,415
0.5%pa increase in salary inflation over duration	3,402
0.5%pa increase in salary inflation for 1 year only	386
0.5% increase in staff changes over duration	3,475
0.5% increase in staff changes year 1 only	398
1.0% increase in deficit contributions	12,772

	Restricted Permanent endowments £'000	Expendable endowments £'000	Total 2022 £'000	Total 2021 £'000
24. Endowment Reserves				
Restricted net assets relating to endowments are as follows:				
Balances at 1 August 2021				
Capital	445	1,112	1,557	1,393
Accumulated income	178	0	178	179
	623	1,112	1,735	1,572
New endowments	0	280	280	256
Expenditure	0	(446)	(446)	(93)
	0	(166)	(166)	163
At 31 July 2022	623	946	1,569	1,735

24. Endowment Reserves (continued)	Restricted Permanent endowments	Expendable endowments	Total 2022	Total 2021
	£'000	£'000	£'000	£'000
Represented by:				
Capital	445	946	1,391	1,557
Accumulated income	178	0	178	178
At 31 July 2022	623	946	1,569	1,735

Analysis by type of purpose:

Lectureships	0	13	13	13
Scholarships and bursaries	469	406	875	923
Prize Funds	154	123	277	279
General	0	404	404	520
	623	946	1,569	1,735

Analysis by asset:

Cash & cash equivalents	1,569	1,735
Total Assets	1,569	1,735

25. Restricted Reserves

Reserves with restrictions (all donations) are as follows:

	2022 Total	2021 Total
	£'000	£'000
Balances at 1 August 2021	185	183
New donations	15	7
Expenditure	(12)	(5)
	3	2
At 31 July 2022	188	185

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

Scholarships and bursaries	21	21
Prize funds	16	16
General	151	148
	188	185

26. Consolidated reconciliation of net debt

	2022 Total	2021 Total
	£'000	£'000
Net debt 1 August 2021	76,202	96,550
Movements in cash and cash equivalents	3,045	(6,245)
Other non-cash changes	(21,774)	(14,103)
Net Debt 31 July 2022	57,473	76,202
Change in net debt	(18,729)	(20,348)

	2022 Total	2021 Total
	£'000	£'000
26. Consolidated reconciliation of net debt (continued)		
Analysis of net debt:		
Cash and cash equivalents	43,658	46,703
Borrowings: amounts falling due within one year		
Secured loans	1,889	1,801
Borrowings: amounts falling due after more than one year		
Derivatives	21,547	41,520
Secured loans	77,695	79,584
Total	99,242	121,104
Net Debt 31 July 2022	57,473	76,202

	31 July 2022		31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
27. Financial Instruments				
Financial assets				
All financial assets are debt instruments measured at fair value				
Cash and cash equivalents	43,658	43,624	46,703	46,690
Investments	35,000	35,000	32,000	32,000
Other Debtors	21,650	21,650	16,645	16,643
Financial Liabilities				
Financial instruments measured at fair value through other comprehensive Income (see Note 21)				
Derivatives	21,547	21,547	41,520	41,520
Financial instruments measured at amortised cost				
Loans	79,584	79,584	81,385	81,385
Trade creditors	27,581	27,564	15,337	15,340

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

	31 July 2022		31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
28. Capital and other commitments				
Provision has not been made for the following capital commitments at 31 July 2019:				
Capital commitments	3,874	3,874	14,335	14,335
	3,874	3,874	14,335	14,335

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 2022		Total	31 July 2021
	Land and Buildings	Other leases		
	£'000	£'000	£'000	£'000
30. Lease obligations				
Total rentals payable under operating leases:				
Future minimum lease payments due:				
Not later than 1 year	346	263	609	973
Later than 1 year and not later than 5 years	0	164	164	426
Later than 5 years	0	0	0	0
Total lease payments due	346	427	773	1,399

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	Running the Brunel University London Science Park and the vehicle for spinout companies	100% owned
HecoAnalytics Limited	Dormant – never traded	100% owned
Testavec Limited	Dormant – never traded	24% owned
Syngenious Limited	Dormant – never traded	100% owned
Vulcanaer Limited	Bus emissions equipment research	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 22	Year Ended 31 July 21
Statement of comprehensive income – net pension cost for the University and its subsidiaries was:		
USS	16,073	15,226
TPS	217	226
LPFA	10,654	8,430
Other Pension scheme staff cost	77	31
Total pension staff cost as per note 9	27,021	23,913
Provision for the ex-WLIHE pension increase, non-staff cost	66	(42)
	27,087	23,871

33. Pension schemes (continued)

	Year Ended 31 July 22	Year Ended 31 July 21
Other Comprehensive Income – actuarial gain/ (loss) in respect of pension schemes for the University and its subsidiaries was:		
LPFA	70,297	(3,145)
Ex-WLIHE	66	(42)
	70,363	(3,187)

Statement of financial position – pension liability for the University and its subsidiaries (note 23) was:

USS	80,338	34,906
LPFA	25,884	88,297
Ex-WLIHE	898	1,014
	107,120	124,217

Net interest Charge on Pension Scheme (note 10):

USS Deficit Recovery program interest on opening liability	311	221
LPFA Interest cost on scheme liabilities	3,295	2,906
LPFA Interest receivable on scheme assets	(1,916)	(1,674)
Ex-WLIHE interest	0	12
	1,690	1,465

(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 £16.1m (2020-21 £15.2m) including PensionChoice, but excluding the impact of the change in the deficit recovery plan, as shown in note 23.

Deficit recovery contributions due within 1 year for the university are £1.8m (2020-21 £4.2m).

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

The 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 SEPFA 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

A new deficit recovery plan was put into place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024 at which point the rate will increase to 6.3%. The 2022 deficit recoverability liability reflects this plan. The liability figures have been produced using the following assumptions:

	2022	2021
Discount rate	3.33%	0.89%
Pensionable salary growth	n/a	n/a
Pension increases (CPI)	4.0%	2.50%

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 2022, the employer's contribution rate was 17.0% (17.0% March 21). However, the University was required to pay a lump sum of £1.06m in April 2022 (and £1.02m in April 2021) in respect of past service benefits. The employee's rate from 1 April 2011 is based on a banded earnings schedule. The employer contributions were £4.31m (£4.07m in 2021) and the employee's contributions were £1.22m (£1.15m 2021).

The following information regarding the LPFA is based on the full actuarial valuation of the fund as at 31 March 2019, rolled forward to 31 March 2022 by Barnett Waddingham, an independent firm of actuaries. The major assumptions are:

	2022	2021	2020	2019	2018
Inflation (CPI)	2.75%	2.60%	2.20%	2.40%	2.35%
Rate of increase in salaries	3.65%	3.60%	3.20%	3.90%	3.85%
Rate of increase in pensions	2.75%	2.70%	2.20%	2.10%	2.35%
Discount rate	3.50%	1.60%	1.60%	2.10%	2.65%

CM12020 reflects the latest available industry data at the balance sheet date and was used in both 2020/21 and 2021/22. Further, the mortality assumption at 31 July 2022 does not reflect the potential reduction in pension liability because of COVID-19, given there remains uncertainty of the pandemic effect on long term mortality rates and currently do not have evidence for making such an assessment on longer term expectations. Therefore, a rate of 0% rather than 25% is applied to the 2020 mortality experience.

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

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

	Males	Females
Retiring today	21.5	24.7
Retiring in 20 years	23.0	26.2

The following assumptions have been made:

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

The following amounts at 31 July 2022 were measured in accordance with the requirements of FRS102

	2022 £'000	2021 £'000
Estimated Asset Share	127,996	119,130
Present value of scheme liabilities	(153,880)	(207,427)
Deficit in scheme	(25,884)	(88,297)

Analysis of amount charged to the Statement of comprehensive income and expenditure

Current service cost (net of employee contributions)	(10,659)	(8,794)
Net interest on the defined liability	(1,379)	(1,232)
Actuarial gain/(loss) recognised in SOCI below the surplus for the year	70,297	(3,145)
Administration expenses	(155)	(135)
	58,104	(13,306)

	2022	2021
	£'000	£'000
Return on fund assets in excess of interest	5,824	12,353
Change in demographic assumptions	0	(476)
Experience gain on defined benefit obligation	(12,526)	3,367
Other actuarial gains/(losses) on assets	0	(1)
Change in financial assumptions	76,999	(18,388)
Actuarial gain/(loss) recognised in SOCI below the Surplus for the year	70,297	(3,145)

Movement in deficit in the year

Deficit in scheme at the beginning of the year	(88,296)	(79,067)
Current Service costs	(10,659)	(8,794)
Contributions	4,309	4,076
Net Interest cost	(1,379)	(1,232)
Administration charges	(155)	(135)
Settlements and curtailments	0	1
Present value of unfunded obligation	(1)	0
Actuarial gain/(loss)	70,297	(3,145)
Deficit in scheme at the end of the year	(25,884)	(88,296)

Fair value of scheme assets at the beginning of the year	119,130	103,975
Interest on Assets	1,916	1,674
Return on Assets less interest and other actuarial gains	5,824	12,353
Administration Expenses	(155)	(135)
Contributions by Employer	4,309	4,076
Contributions by scheme participants	1,215	1,146
Estimated benefits paid (net of transfers in and unfunded)	(4,243)	(3,959)
Fair value of scheme assets at the end of the year	127,996	119,130

Present value of scheme liabilities at the beginning of the year	(207,427)	(183,042)
Current Service Cost	(10,659)	(8,794)
Interest Cost	(3,295)	(2,906)
Change in Financial Assumptions	76,999	(18,388)
Change in demographic assumptions	0	(476)
Experience gain/(loss) on defined benefit obligation	(12,526)	3,367
Estimated benefits paid (net of transfers in and unfunded)	4,243	3,959
Unfunded pension payments	(1,215)	(1,147)
Present value of scheme liabilities at the end of the year	(153,880)	(207,427)

Please note that the Experience gain/(loss) on defined benefit obligation of £12,526k includes the impact of emerging inflation since September 2021 which increases the scheme liabilities by £11,830k. Recent changes in global and UK economic pressures and tightening of monetary policy have had a significant impact on asset markets and corporate bonds yields, which are key to the FRS102 assessment of the net pension liability. In particular, AA corporate bond yields, used to set the FRS102 discount rate, have increased significantly since 31 July 2022, with corresponding falls in asset values. The markets have been exceptionally volatile and therefore while both gross DBOs and assets will have fallen, it is difficult to estimate the impact of these changes on the net balance sheet position.

33. Pension schemes (continued)	2022	2022	2021	2021
	£'000	%	£'000	%
Scheme Assets breakdown				
Equities	72,635	56	66,852	56
Target return portfolio	27,788	22	25,732	22
Infrastructure	13,466	11	10,442	9
Property	12,568	10	9,938	8
Cash	1,539	1	6,166	5
Total	127,996	100	119,130	100

	2022	2021
	£'000	£'000
History of experience gains and losses cumulative		
Interest on Assets		
Total scheme assets	1,916	1,674
% of scheme assets	1.5%	1.4%
Experience (gains)/losses on scheme liabilities		
Present value of liabilities	(12,526)	3,367
% of present value of liabilities	(153,880)	(207,427)
	8.1%	(1.6%)
Actuarial gain/(losses) recognised in SOCI below the surplus		
Present value of liabilities	70,297	(3,145)
% of present value of liabilities	(153,880)	(207,427)
	(45.7%)	1.5%

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.

			Year Ended 31 July 2022 £000s		Year Ended 31 July 2021 £000s	
Primary Reserve Ratio			Positive	Negative	Positive	Negative
Balance Sheet	Statement of Financial Position – Net Assets without Donor Restrictions	Net Assets without Donor Restrictions	192,411		142,565	
Balance Sheet	Statement of Financial Position – Net Assets with Donor Restrictions	Net Assets with Donor Restrictions	1,757		1,920	
	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 10 and 11	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		375,010		376,579
	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		23,876		11,469
	Note of the Financial Statements – Statement of Financial Position – Construction in process	Construction in process		7,285		13,063
	Statement of Financial Position – lease right-of-use assets, net	Lease right-of-use asset, net				
	Note of Financial Statements – Statement of Financial Position – Lease-right -of-use asset pre-implementation	Lease right-of-use asset pre-implementation				
	Note of Financial Statements – Statement of Financial Position – Lease right-of-use asset post-implementation	Lease right-of-use asset post-implementation				
	Statement of Financial Position - Goodwill	Intangible assets				
Note 19	Statement of Financial Position – Post-employment and pension liabilities	Post-employment and pension liabilities	107,120		124,217	
	Statement of Financial Position – Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt – for long term purposes				
Note 18	Statement of Financial Position – Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt for long term purposes pre-implementation	79,584		81,385	
	Statement of Financial Position – Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt for long term purposes post-implementation				
	Statement of Financial Position – Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Line of Credit for Construction in process				
	Statement of Financial Position – Lease right-of-use of asset liability	Lease right-of-use asset liability				
	Statement of Financial Position – Lease right-of-use of asset liability pre-implementation	Pre-implementation right-of-use leases				
	Statement of Financial Position – Lease right-of-use of asset liability pre-implementation	Post-implementation right-of-use leases				
	Statement of Financial Position - Annuities	Annuities with donor restrictions				
	Statement of Financial Position – Term Endowments	Term endowments with donor restrictions				
	Statement of Financial Position – Life Income Funds	Life income funds with donor restrictions				

			Year Ended 31 July 2022 £000s		Year Ended 31 July 2021 £000s	
			Positive	Negative	Positive	Negative
Primary Reserve Ratio (continued)						
Note 20	Statement of Financial Position – Perpetual funds	Net assets with donor restrictions: restricted in perpetuity		445		445
Total Expenses and Losses						
Note 9	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		266,407		254,071
Note 17	Statement of Activities Non-Operating (Investment return appropriated for spending). Investments, net of annual spending gain (loss), Other components of net periodic pension costs, Pension-related changes other than net periodic pension, Change in value of split-interest agreements and Other gains (loss). (Total from Statement of Activities prior to adjustments).	Non-Operating and Net Investment (loss)	19,973		12,385	
	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	192,411		142,565	
Balance Sheet	Statement of Financial Position – Total Net Assets with Donor Restrictions	Net assets with donor restrictions	1,757		1,920	
	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	523,208		504,069	
	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	49,846			13,724
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	271,349		234,044	



Membership of Council, Committees and Professional Advisers

Membership of Council during the 2021/22 Year

Names	Status of Appointment	Date Appointed	Date Resigned/ Completed Term of Office
Mr M Ahmed	Independent Member		
Dr V Bhalla	Independent Member (Deputy Chair from 1.4.22)		
Prof J Buckingham	Vice-Chancellor & President		31.12.21
Prof A Jones	Vice-Chancellor & President	1.1.22	
Mr M Garrett	Independent Member		
Ms H Ghantiwala	Independent Member		31.7.22
Ms L Hunt	Deputy Chair of Council		
Prof R Lingwood	Provost		
Mr A Murphy	Chief Financial Officer/ Chief Operating Officer		
Mr D Kennedy	Independent Member	31.1.22	
Mr K Singh	Student Member	19.6.21	2.2.22
Prof M Rand-Weaver	Vice-Provost, Education		
Ms T Rosingholm	Independent Member		
Ms A Rowlatt	Independent Member		
Ms Josie Mangan	Elected Staff		
Prof M Spyer	Chair of Council		31.7.22
Prof D Delpy	Independent Member	31.1.22	
Mr C Maw	Independent Member	31.1.22	
Dr K Thomas	Independent Member		
Dr P D Thomas	Elected Academic		
Ms A Waltham	Independent Member		
Prof J Wood	Independent Member		31.7.22
Prof P Hellewell	Vice Provost and Dean of College		

Committees

Finance Committee

Chairman

Dr K Thomas

Members

Mr M Ahmed
 Dr V Bhalla
 Prof J Buckingham (until 31.12.21)
 Prof A Jones (from 1.1.22)
 Ms L Hunt
 Prof R Lingwood
 Mr A Murphy
 Mr K Singh (until 2.2.22)
 Ms T Rosingholm
 Prof M Spyer (until 31.7.22)
 Mr C Maw (from 7.7.22)

Audit Committee

Chairman

Ms A Rowlatt

Members

Mr M Garrett
 Ms H Ghantiwala (until 31.7.22)
 Ms A Waltham (from 1.8.21)
 Mr D Kennedy (from 7.7.22)
 Mr D Haigh (external member)

In Attendance

Prof J Buckingham (until 31.12.21)
 Prof A Jones (from 1.1.22)
 Prof R Lingwood
 Mr A Murphy

Remuneration Committee

Chairman

Mr M Ahmed

Members

Ms L Hunt
 Prof M Spyer (until 31.7.22)
 Dr K Thomas
 Mr C Maw (from 7.7.22)

In Attendance

Prof J Buckingham (until 31.12.21)
 Prof A Jones (from 1.1.22)
 Prof R Lingwood
 Ms G Bailey

Nominations Committee

Chairman

Ms L Hunt (until 21.10.21)
 Dr V Bhalla (from 21.10.21)

Members

Prof J Buckingham (until 31.12.21)
 Prof A Jones (from 1.1.22)
 Prof R Lingwood
 Mr K Singh (until 2.2.22)
 Prof M Spyer (until 31.7.22)
 Prof J Wood (until 31.7.22)
 Dr K Thomas

Health and Safety Committee

Chairman

Mr E Glover

Members

Mr D Millard -Healy
 Mr I Goodliffe
 Mr K Singh (until 2.2.22)
 Dr A Oluwatudimu (until 4.10.21)
 Dr A Zeka
 Dr I Stone
 Mr A Proudfoot
 Mr C Lithgow
 Mr G Jones
 Mr J Parfree
 Mr J Tanner
 Mr M Smith
 Mr M Keighley
 Mr N Turner
 Mr P Szadorski
 Mr P Worthington
 Mr P Bent
 Mr S Le Geyt
 Mr T Vass
 Ms A Oliver
 Ms J Mangan

Honorary Degrees Committee

Chairman

Prof J Buckingham (until 31.12.21)
 Prof A Jones (from 1.1.22)

Members

Dr V Bhalla
 Prof R Lingwood
 Mr K Singh (until 2.2.22)
 Ms T Rosingholm (until 31.3.21)
 Prof M Spyer (until 31.7.22)
 Prof J Wood (until 31.7.22)
 Prof G Rodgers
 Prof H Zhao
 Prof M Rand Weaver
 Prof P Hellewell
 Prof T Betteridge
 Prof T Hoey

Ethics Advisory Committee

Chairman

Prof J Wood (until 31.7.22)

Members

Ms H Ghantiwala
 Mr K Singh (until 2.2.22)
 Ms A Waltham

Professional Advisers during the 2021/22 Year

Bankers

HSBC Bank plc, Uxbridge

Legal advisers

Mills & Reeve LLP

Veale Wasbrough Vizards LLP

DLA Piper UK LLP

External auditors

KPMG LLP, London

Indirect tax advisers

PwC LLP, London

Internal Auditors

RSM LLP, London





Financial Statements 2021/22

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