



# FINANCIAL STATEMENTS

2003 - 2004



## Brunel University

### Annual financial report for the year ended 31 July 2004

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#### Scope of the financial statements

The financial statements comprise the consolidated results of the University and its subsidiary undertakings. The University's subsidiary companies consist of Brunel University Services Limited (BUSL) and an 'Enterprise' group of companies, with Brunel University Enterprises Limited (BUEL) as the holding company. BUSL and BUEL are wholly owned subsidiary companies of the University. BUEL itself has two subsidiaries, Brunel Science Park Limited (BSPL) and Episport Limited. The University's other subsidiary, Phalarope Limited (in which the University holds a 50.01% stake), ceased trading on 1 November 1999 and subsequent activity has been confined to the collection of receivables and the settlement of the company's liabilities to Brunel University.

BUSL was originally established as a shared service centre for the BUEL group, but became a wholly owned subsidiary of the University on 1 January 2003. It commenced, on 1 May 2003, a new trade as a Library Services company providing library services to Brunel University. BUEL was established to pursue activities that are not open to the University as a charity, principally through the commercial exploitation of assets held by, and generated within, the University. BSPL manages the Science Park activity on the Uxbridge campus.

Details of the University's majority shareholdings in other companies, all non-trading, are set out below:

	Number of shares held	Nominal value	Cost (£)	% of issued share capital
Episport Limited	1	£1	1	100%
Learning Interactive Limited	49	£1	49	100%
Performance Brunel	1	£1	1	100%
Purebreathe Limited	1	£1	1	100%
Rheomatix Limited	100	£1	100	100%
Sound Innovations Limited	1	£1	1	100%
Synbiogen Limited	1	£1	1	100%

Sums of £446,220 and £58,463 were donated by BUSL and BSPL respectively to the University by Gift Aid.

#### Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice - Accounting for Further and Higher Education Institutions, and in accordance with applicable Accounting Standards.

#### Results for the year

The Group's consolidated income, expenditure and results for the year to 31 July 2004 are summarised as follows:-

	<b>2003/04</b>	2002/03
	<b>£000</b>	£000
Income	<b>101,742</b>	93,088
Expenditure	<b>(97,581)</b>	<b>(90,887)</b>
Surplus before tax & minority interests	<b>4,161</b>	2,201
Taxation, sale of goodwill & minority interests	<b>0</b>	8
Surplus on disposal of assets	<b>37,559</b>	0
Surplus attributable to the group	<b>41,720</b>	2,209
Depreciation attributable to revaluations	<b>169</b>	311
Realisation of property revaluation gains	<b>10,897</b>	0
Historical cost surplus	<b>52,786</b>	2,520

## **Brunel University**

### **Annual financial report (continued)**

The Group's total income grew by 9.3% compared with 4.9% in 2002/03, and the component elements of income and expenditure are shown in the Consolidated Income and Expenditure Account. Whilst the Group achieved a historical cost surplus of £52.8 million for the year, resulting in an accumulated income and expenditure reserve of £98.6 million, the operating surplus excluding asset disposals was £4.16 million (4.1%). The surplus from the asset disposals will be fully reinvested in the further development of the Uxbridge campus.

This represents a very good performance for the year, although £2.1 million of the

The Group's total expenditure of £97.581 million increased by 7.4% compared with 4% in 2002/03. Staff costs increased by 5.2% overall, although this includes £707k restructuring costs (£570k in 2002/03).

#### Capital expenditure

#### Investment performance

#### Borrowings

Student halls of residence are required to be self-financing, and the Group borrowed an additional £9.5 million in the year to 31 July 2004 to finance the new student hall of residence.

#### Future Developments

The University received the agreed sale proceeds for the Twickenham site in October 2003, and will lease back, at a peppercorn rent, that part of the site that is required by the University until the move of the Education department to the Uxbridge campus. The date on which the University is expected to give vacant possession of the site is the end of September 2005. In line with the University's Estate Strategy, Council approved the disposal of the Osterley site, and contracts for the sale of the site were signed in February 2004. The University will remain in occupation of the site until November 2006.

## **Brunel University Corporate Governance**

The University is committed to exhibiting best practice in all aspects of corporate governance. This summary describes the manner in which the University has applied the principles set out in Section 1 of The Combined Code – Principles of Good Corporate Governance and Code of Best Practice insofar as they are applicable to Higher Education institutions. Its purpose is to help the reader of the accounts understand how the principles have been applied.

The University is an autonomous

### **Summary of the University's structure of Corporate Governance**



## Council's responsibilities for the Financial Statements

In preparing the financial statements, the Council is required to:

- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
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The Council has taken reasonable steps to:

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- safeguard the assets of the University and prevent and detect fraud;
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- regular review of key performance indicators and business risks and of financial results involving variance reporting;
- clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the University Council;
- comprehensive Financial Regulations, promoted by Finance Committee and adopted by Council;
- a professional internal audit service with a programme approved by the Audit Committee and whose head provides that committee with a report on internal control.

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

## **Independent auditors' report to the Council of Brunel University**

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We have audited the financial statements which comprise the consolidated income and expenditure account, the balance sheets, the cash flow statement, the statement of total recognised gains and losses and the related notes which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and in accordance with the accounting policies set out in the Statement of Accounting Policies.

### **Respective responsibilities of the Council and auditors**

The Council's responsibility for preparing the financial statements in accordance with the Accounts Direction issued by the Higher Education Funding Council for England, the Statement of Recommended Practice – Accounting for Further and Higher Education Institutions, applicable United Kingdom law and accounting standards is set out in the Statement of the Council's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements, and United Kingdom Auditing Standards issued by the Auditing Practices Board. This opinion has been prepared for and only for the Council of the University and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Statement of Recommended Practice - Accounting for Further and Higher Education Institutions. We also report to you whether in our opinion, income from funding bodies, grants and income for specific purposes and from other restricted funds administered by the University, have been properly applied in all material respects for the purposes for which they were received, and whether income has been applied in all material respects in accordance with the University's statutes and where appropriate with the financial memorandum with the Higher Education Funding Council for England. We also report to you if, in our opinion, the University has not kept proper accounting records, the accounting records do not agree with the financial statements, or if we have not received all the information and explanations we require for our audit.

We read the other information contained in the Financial Statements and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises the annual financial report, the corporate governance statement and the statement of Council's responsibilities.

We also review the statement of internal control included as part of the corporate governance statement and comment if the statement is inconsistent with our knowledge of the University. We are not required to consider whether the statement of internal control covers all risks and controls, or to form an opinion on the effectiveness of the University's corporate governance procedures or its risk and control procedures.

The maintenance and integrity of the Brunel University website is the responsibility of the Council; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



## **Independent auditors' report to the Council of Brunel University (cont'd)**

### **Basis of audit opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board and the HEFCE Code of Practice. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Council in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group and University's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion:

- i. The financial statements give a true and fair view of the state of affairs of the University and the Gnd 0līEdel mens aā
- ii. In all material respects, income from the Higher Education Funding Council for England, the Teacher Training Agency and the Learning and Skills Council and grants and income for specific purposes and from other restricted funds administered by the University have been applied only for the purposes for which they were received.
- iii. In all material respects, income has been applied in accordance with the Royal Charter and Statutes governing Brunel University and, where appropriate, in accordance with the financial memoranda with the Higher Education Funding Council for England dated August 2000 and October 2003.

PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
London

17 December 2004

## **Brunel University**

### **Statement of principal accounting policies**

#### **Basis of preparation**

These financial statements have been prepared in accordance with both the Statement of Recommended Practice - Accounting for Further and Higher Education Institutions (SORP) and app

#### **Basis of accounting**

#### **Basis of consolidation**

#### **Recognition of income**

All income from investments, other than specific endowment asset investments, is credited to the Income and Expenditure Account on a receivable basis.

Recurrent grants from funding councils are recognised in the period in which they are receivable. Non-recurrent grants from funding councils or other bodies received in respect of the acquisition or construction of fixed assets are treated as deferred capital grants and amortised in line with depreciation over the useful economic life of the assets. Specific grants from funding councils are recognised to the extent of the relevant expenditure incurred during the year, together with any related contributions to overhead costs, or when the related terms and conditions of the grants have been fully satisfied.

#### **Maintenance of premises**

The University has a long-term maintenance programme which is periodically reviewed and for which sums are set aside on a regular basis. The programme covers both major cyclical activities and major maintenance costs expected to occur on an irregular basis. Both long-term and routine corrective maintenance is charged to the income and expenditure account as incurred, unless it is classified as a capital asset under FRS 15.

#### **Foreign currency translation**

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at year-end rates. The resulting exchange differences are dealt with in the determination of income and expenditure for the financial year.

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Brunel University

**Consolidated income and expenditure account**  
for the year en

**Consolidated statement of total recognised gains and losses  
for the year ended 31 July 2004**

		<b>2003-04</b>	2002-03
	Note	<b>£000</b>	£000
Surplus on continuing operations after depreciation of fixed assets at valuation, disposal of assets and taxation		<b>41,720</b>	2,209
Net income from endowments	23	<b>(65)</b>	<b>(131)</b>
Appreciation/reduction in endowment asset investment values	23	<b>(77)</b>	0
New endowments	23	<b>377</b>	108
<b>Total recognised gains relating to the year</b>		<b>41,955</b>	2,186
<b>Reconciliation</b>			
Opening reserves and endowments		70,959	68,773
Total recognised gains and losses for the year		41,955	2,186
<b>Closing reserves and endowments</b>		<b>112,914</b>	70,959

## Balance sheets

as at 31 July 2004

		Group		2004	2003
	Note	2004	2003	2004	2003
		£000	£000	£000	£000
<b>Fixed assets</b>					
Tangible fixed assets	12	<b>118,688</b>	103,401	<b>112,665</b>	102,518
Investments	13	<b>108</b>	108	<b>33</b>	33
		<b>118,796</b>	103,509	<b>112,698</b>	102,551
<b>Endowment assets</b>	14	<b>1,770</b>	1,535	<b>1,770</b>	1,535
<b>Current assets</b>					
Stock	15	<b>80</b>	81	<b>65</b>	66
Debtors	16				

## **Consolidated cash flow statement**

for the year ended 31 July 2004

	Note	<b>2003-04</b> £000	2002-03 £000
Cash flow from operating activities	26	<b>7,748</b>	6,296
Returns on investments and servicing of finance	27	<b>528</b>	<b>(370)</b>
Taxation	10	<b>0</b>	8
Capital expenditure and financial investment	28	<b>24,045</b>	<b>(15,454)</b>
Management of liquid resources	29	<b>(29,873)</b>	9,415
Financing	30	<b>8,901</b>	<b>(592)</b>
Increase/(decrease) in cash for the period	31	<b>11,349</b>	<b>(697)</b>

### **Reconciliation of net cash flow to movement in net debt**

Increase/(decrease) in cash for the period	31	<b>11,349</b>	<b>(697)</b>
Increase/(decrease) in endowment asset investments	31	<b>312</b>	<b>(23)</b>
Cash outflow/(inflow) from liquid resources	31	<b>29,873</b>	<b>(9,415)</b>
(New loans)/Cash used to decrease loans	31	<b>(8,901)</b>	592
Non-cash changes	31	<b>(177)</b>	0
Change in net funds/(debt)		<b>32,456</b>	<b>(9,543)</b>
Opening net debt at 1 August	31	<b>(11,034)</b>	<b>(1,491)</b>
Closing net funds/(debt) at 31 July			





**Notes to the accounts**

	<b>2003-04</b>	2002-03
	<b>£000</b>	£000
<b>4 Other income</b>		
Residences, catering and conferences	<b>13,510</b>	11,458
Science Park	<b>726</b>	744
Libraries	<b>16</b>	8
Sports Centre	<b>645</b>	667
Rent and room hire	<b>455</b>	755
Released from deferred capital grants	<b>29</b>	35
Other services rendered	<b>935</b>	827
Other income	<b>3,941</b>	2,412
	<b><u>20,257</u></b>	<b><u>16,906</u></b>
<b>5 Endowment and investment income</b>		
Transferred from specific endowments	<b>37</b>	39
Income from general endowment asset investments	<b>23</b>	16
Income from current asset investments	<b>1,677</b>	559
	<b><u>1,737</u></b>	<b><u>614</u></b>
<b>6 Staff numbers and costs</b>	<b>Number</b>	Number
Average staff numbers during the year by major category:		
Academic and hourly paid lecturers	<b>863</b>	853
Technical	<b>85</b>	89
Administrative & academic support	<b>252</b>	208
Other, including clerical and manual	<b>971</b>	906
	<b><u>2,171</u></b>	<b><u>2,056</u></b>
Other staff numbers for 2003-04 include students recruited through the University's Job Shop.		
	<b>£000</b>	£000
Staff costs for the above persons:		
Wages and salaries	<b>46,795</b>	45,283
Social security costs	<b>4,007</b>	3,442
Contributions to occupational pension schemes	<b>5,449</b>	4,843
Restructuring costs	<b>707</b>	570
	<b><u>56,958</u></b>	<b><u>54,138</u></b>
	<b>£000</b>	£000
Employment costs for staff on permanent contracts	<b>40,735</b>	38,263
Employment costs for staff on short-term contracts	<b>15,516</b>	15,305
Restructuring costs	<b>707</b>	570
	<b><u>56,958</u></b>	<b><u>54,138</u></b>

**Notes to the accounts**

**6 Staff numbers and costs (cont'd)**

Emoluments of the Vice-Chancellor, excluding employer's National Insurance Contributions, were:

Notes to the accounts

	2003-04 £000	2002-03 £000
<b>7 Other operating expenses (cont)</b>		
Heat, light, power and water	1,860	1,841
Repairs and maintenance	3,884	4,483
Other premises costs	2,005	1,790
Telephones and postage	993	846
Catering supplies	1,017	1,029
Grants to Union of Brunel Students	770	744
Auditors' remuneration - external audit *	66	69
- internal audit	53	0
Insurance	505	448
Contribution to provisions	809	739
Other expenditure	1,619	1,229
	<b>35,001</b>	<b>31,737</b>

\*includes £56,136 in respect of the University (2002/3 £61,930)

**8 Interest payable**

Loans wholly repayable by instalments after five years	1,209	984
	<b>1,209</b>	<b>984</b>

**9**

	Staff costs £000	Other operating expenses £000	Dep'n £000	Interest payable £000	Total £000
Academic departments	31,594	7,918	650	0	40,162
Academic services	4,002	4,518	268	1	8,789
Research grants and contracts	4,606	3,598	161	0	8,365
Residences, catering, conferences & Science Park	4,140	5,364	1,155	1,159	11,818
Premises	3,551	7,629	1,885	32	13,097
Administration	5,694	3,525	244	17	9,480
Other services	3,371	2,449	50	0	5,870
Total per Income and Expenditure Account	<b>56,958</b>	<b>35,001</b>	<b>4,413</b>	<b>1,209</b>	<b>97,581</b>

The depreciation charge has been funded by:

Deferred capital grants released (Note 22)	1,188
Revaluation reserve released (Note 24)	169
General income	3,056
	<b>4,413</b>

**10 Taxation**

0	(8)
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**11 Surplus on continuing operations**

The surplus on continuing operations for the year is made up as follows:

University surplus for the year

Notes to the accounts

12 Tangible fixed assets

Group

	Land & buildings £000	Assets under construction £000	Equipment £000	Total £000
<b>Cost or Valuation</b>				
At 1 August 2003:				
Valuation	26,744	0	0	26,744
Cost	76,266	17,187	11,297	104,750
Less disposals in year	(14,386)	(398)	(2,659)	(17,443)
Additions at cost	0	32,543	0	32,543
Transfers between accounts	21,178	(22,154)	976	0
At 31 J I b&V n c				

Notes to the accounts

12 Tangible fixed assets (cont)

University

	Land & buildings £000	Assets under construction £000	Equipment £000	Total £000
<b>Cost or Valuation</b>				
At 1 August 2003:				
Valuation	26,744	0	0	26,744
Cost	76,266	16,304	11,297	103,867
Less disposals in year	(14,386)	(398)	(2,659)	(17,443)
Additions at cost	0	27,403	0	27,403
Transfers between accounts	21,178	(22,154)	976	0
At 31 July 2004:				
Valuation	<u>14,435</u>	<u>0</u>	<u>0</u>	<u>14,435</u>
Cost	<u>95,367</u>	<u>21,155</u>	<u>9,614</u>	<u>126,136</u>
<b>Depreciation</b>				
At 1 August 2003	21,501	0	6,592	28,093
Charge for the year	2,679	0	1,734	4,413
Eliminated in respect of disposals	(1,942)	0	(2,658)	(4,600)
At 31 July 2004	<u>22,238</u>	<u>0</u>	<u>5,668</u>	<u>27,906</u>
<b>Net book value at 31 July 2004</b>	<u>87,564</u>	<u>21,155</u>	<u>3,946</u>	<u>112,665</u>
Net book value at 1 August 2003	<u>81,509</u>	<u>16,304</u>	<u>4,705</u>	<u>102,518</u>
Inherited	12,579	0	0	12,579
Financed by capital grant	13,203	0	3,927	17,130
Other	61,782	21,155	19	82,956
<b>Net book value at 31 July 2004</b>	<u>87,564</u>	<u>21,155</u>	<u>3,946</u>	<u>112,665</u>

**Notes to the accounts**

	<b>Group</b>		<b>University</b>	
	<b>2004</b>	2003	<b>2004</b>	2003
	<b>£000</b>	£000	<b>£000</b>	£000
<b>13 Fixed</b>				

**Notes to the accounts**

**18 Creditors: amounts falling due  
within one year**

**Group**  
**2004**    **2003**  
**£000**    **£000**

**University**  
**2004**    **2003**  
**£000**



**Notes to the accounts**

<b>21 Provisions for liabilities and charges</b>	<b>Group and University Pensions-related £000</b>
At 1 August 2003	1,189
Expenditure in the year	(94)
Transferred from income and expenditure account	80
At 31 July 2004	1,175

*All provisions relate to the University.*

<b>22 Deferred capital grants</b>	<b>Group and University</b>		
	<b>Funding Councils £000</b>	<b>Other grants &amp; benefactions £000</b>	<b>Total £000</b>
At 1 August 2003:			
Land and buildings	9,626	883	10,509
Equipment	1,430	193	1,623
	<b>11,056</b>	<b>1,076</b>	<b>12,132</b>
Cash received:			
Land and buildings	3,001	248	3,249
Equipment	2,761	176	2,937
	<b>5,762</b>	<b>424</b>	<b>6,186</b>
Released to Income and Expenditure Account:			
Land and buildings	528	27	555
Equipment	470	163	633
	<b>998</b>	<b>190</b>	<b>1,188</b>
At 31 July 2004:			
Land and buildings	12,099	1,104	13,203
Equipment	3,721	206	3,927
	<b>15,820</b>	<b>1,310</b>	<b>17,130</b>

*All deferred capital grants relate to the University.*

<b>23 Endowments</b>	<b>Group and University</b>		
	<b>Specific £000</b>	<b>General £000</b>	<b>Total £000</b>
At 1 August 2003	1,056	479	1,535
Additions	29	348	377
Reduction in endowment asset investment value	(42)	(35)	(77)
Investment income and appreciation	37	23	60
Release to Income and Expenditure Account	(103)	(22)	(125)
At 31 July 2004	977	793	1,770

The treatment of accumulated income held within specific endowments does not follow that recommended in the Statement of Recommended Practice. Holdings of endowment assets are currently being reviewed and, until that review has been completed, it is not possible to quantify the correct entries to be made. The necessary entries will be made in the accounts for the year ended 31 July 2005.

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**Notes to the accounts**

	<b>2003-04</b>	2002-03
	<b>£000</b>	£000

**27 Returns on investments and servicing of finance**

Income received from endowment a

## Notes to the accounts

### 31 Analysis of changes in net funds

	At 1 August £000	Cash flows £000	Other changes £000	At 31 July £000
Cash at bank and in hand	834	9,318	0	10,152
Overdrafts	(2,049)	2,031	0	(18)
<b>Net cash</b>	<b>(1,215)</b>	<b>11,349</b>		

**32 Pension schemes (cont'd)**

**SSAP 24**

It is not possible to identify the University's share of the underlying assets and liabilities in the USS scheme and hence, using the exemption under SSAP 24, contributions to the scheme are accounted for as if it were a defined contribution scheme, with the cost recognised in the Income and Expenditure account being equal to the contributions payable to the scheme.

The assumptions and other data which have the most significant effect on the determination of future contribution levels together with the employers contribution rate, are as follows:

Date of most recently published actuarial valuation	31 March 2002
Investment returns per annum	6.0%
Salary scale increases per annum	3.7%
Pension increases per annum	2.7%
Market value of assets at last valuation date	£19,938 million
Proportion of members' accrued benefits covered by the actuarial value of the assets	101%
Employer's contribution rate	14%

**FRS 17**

It is not possible to identify the University's share of the underlying assets and liabilities in the USS scheme and hence, using the exemption under FRS 17, contributions to the scheme are accounted for as if it were a defined contribution scheme, with the cost recognised in the Income and Expenditure account being equal to the contributions payable to the scheme.

***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.

**SSAP 24**

It is not possible to identify the University's share of the underlying assets and liabilities in the TPS scheme and hence, using the exemption under SSAP 24, contributions to the scheme are accounted for as if it were a defined contribution scheme, with the cost recognised in the Income and Expenditure account being equal to the contributions payable to the scheme.

The pensions costs are assessed not less than every five years in accordance with the advice of the government actuary, using the prospective benefits method. The assumptions and other data which have the most significant effect on the determination of future contribution levels, together with the employers' contribution rate, are as follows:

Date of most recently published actuarial valuation	31 March 2001
Investment returns per annum	7.0%
Salary scale increases per annum	5.0%
Pension increases per annum	3.5%
Market value of assets at last valuation date	£142,880 million
Proportion of members' accrued benefits covered by the actuarial value of the assets	97%

The employer contribution rate has been 13.5% since 1 April 2003.

**32 Pension schemes (cont'd)**

**FRS 17**

It is not possible to identify the University's share of the underlying assets and liabilities in the scheme and hence, using the exemption under FRS 17, contributions to the scheme are accounted for as if it were a defined contribution scheme, with the cost recognised in the Income and Expenditure account being equal to the contributions payable to the scheme.

***London Pensions Fund Authority Pension Scheme (LPFA)***

The University participates as an Admitted Body in the LPFA which is administered in accordance with the Local Government Pensions Scheme Regulations 1997. The fund is valued every three years by actuaries, and the projected unit method is used in respect of the Active Sub-Fund in which the University participates. Each participating em200899) Tj B360)16D (c)

**SSAP 24**

Date of most recently published actuarial valuation	31 March 2001
Investment returns per annum	6.3%-6.6%
Salary scale increases per annum	4.3%
Pension increases per annum	2.8%
Market value of assets at last valuation date	£2,853 million
Proportion of members' accrued benefits covered by the actuarial value of the assets	108%
Employer's contribution rate	9.8%

**FRS 17**

The following information regarding the LPFA is based upon the full actuarial valuation of the fund as at 31 March 2001, rolled forward to 31 July 2004 by Hymans Robertson, an independent firm of actuaries. The major assumptions are:

	<b>At 31 July '04</b>	At 31 July '03
Inflation	<b>2.9%</b>	2.6%
Rate of increase in salaries	<b>4.4%</b>	4.1%
Rate of increase for pensions	<b>2.9%</b>	2.6%
Discount rate	<b>6.5%</b>	6.2%

**32 Pension sche**

## Notes to the accounts

### 32 Pension schemes (cont'd)

	Year ended 31 July 2004 £000	Year ended 31 July 2003 £000
Current service cost	1,431	1,440
Past service cost	45	50
Curtailments and Settlements	89	50
Total operating charge	1,565	1,540
Expected return on pension scheme assets	2,464	2,490
Interest on pension liabilities	(2,762)	(2,460)
Net return	(298)	30
Actual return less expected return on pension scheme assets	21	(2,540)
Experience gains and losses arising on the scheme liabilities	66	(20)
Changes in assumptions underlying the present value of the scheme liabilities	(67)	0
Actuarial gain/(loss) recognised in STRGL	20	(2,560)
Deficit in scheme at 1 August	(11,360)	(8,355)
Movement in year:		
Current service costs	(1,431)	(1,440)
Contributions	1,070	1,065
Contributions in respect of Unfunded Benefits	4	0
Past service costs	(45)	(50)
Impact of Curtailments and Settlements	(89)	(50)
Net return on assets	(298)	30
Actuarial gain/(loss)	20	(2,560)
Deficit in scheme at 31 July	(12,129)	(11,360)
Difference bet		





**Notes to the accounts**

<b>38 SSSS* hardship funds (TTA)</b>	<b>2003-04</b>	2002-03
	<b>£000</b>	£000
Balance brought forward at 1 August	<b>0</b>	0
Funding Council grants	<b>57</b>	33
Disbursed to students	<b>(58)</b>	(33)
Balance carried forward at 31 July	<b>0</b>	0

0.78 (c) 0.16 32 0.49 (6) 0.78 0.28 0.16 1.00 (8) 0.16 0.40

# Brunel University

## 5 year summary of consolidated financial statements (unaudited)

	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>
	£000	£000	£000	£000	£000
Funding Council grants	42,944	40,005	39,362	37,681	37,529
Tuition fees and education contracts	28,129	26,487	22,192	20,733	18,688
Research grants and contracts	8,675	9,076	9,523	7,645	7,304
Other income	20,257	16,906	16,795	16,354	14,829
Endowment and investment income	1,737	614	849	1,237	939
<b>Total income</b>	<b>101,742</b>	<b>93,088</b>	<b>88,721</b>	<b>83,650</b>	<b>79,289</b>
Staff costs	56,251	53,568	51,652	47,854	46,443
Restructuring costs	707	570	273	280	758
Other operating expenses	35,001	31,737	30,319	27,718	25,393
Depreciation	4,413	4,028	4,200	3,662	3,318
Interest payable	1,209	984	932	1,157	841
<b>Total expenditure</b>	<b>97,581</b>	<b>90,887</b>	<b>87,376</b>	<b>80,671</b>	<b>76,753</b>
<b>Operating surplus before tax and minorities</b>	<b>4,161</b>	<b>2,201</b>	<b>1,345</b>	<b>2,979</b>	<b>2,536</b>
Surplus on sale of assets	37,559	0	0	0	0
Realisation of property revaluation gains	10,897	0	0	0	0

### Balance

## **Brunel University**

### **Membership of Council during the 2003-04 year**

	<b>Status of Appointment</b>	<b>Date appointed in-year</b>	<b>Date resigned in year</b>	<b>Committees Served</b>
The Rt Hon. Lord Wakeham DL	Chancellor			
Dr D Kingsmill	Pro Chancellor			Remuneration Committee, Nominations Committee
Professor S Schwartz	Vice-Chancellor and Principal			
Professor M Sarha				