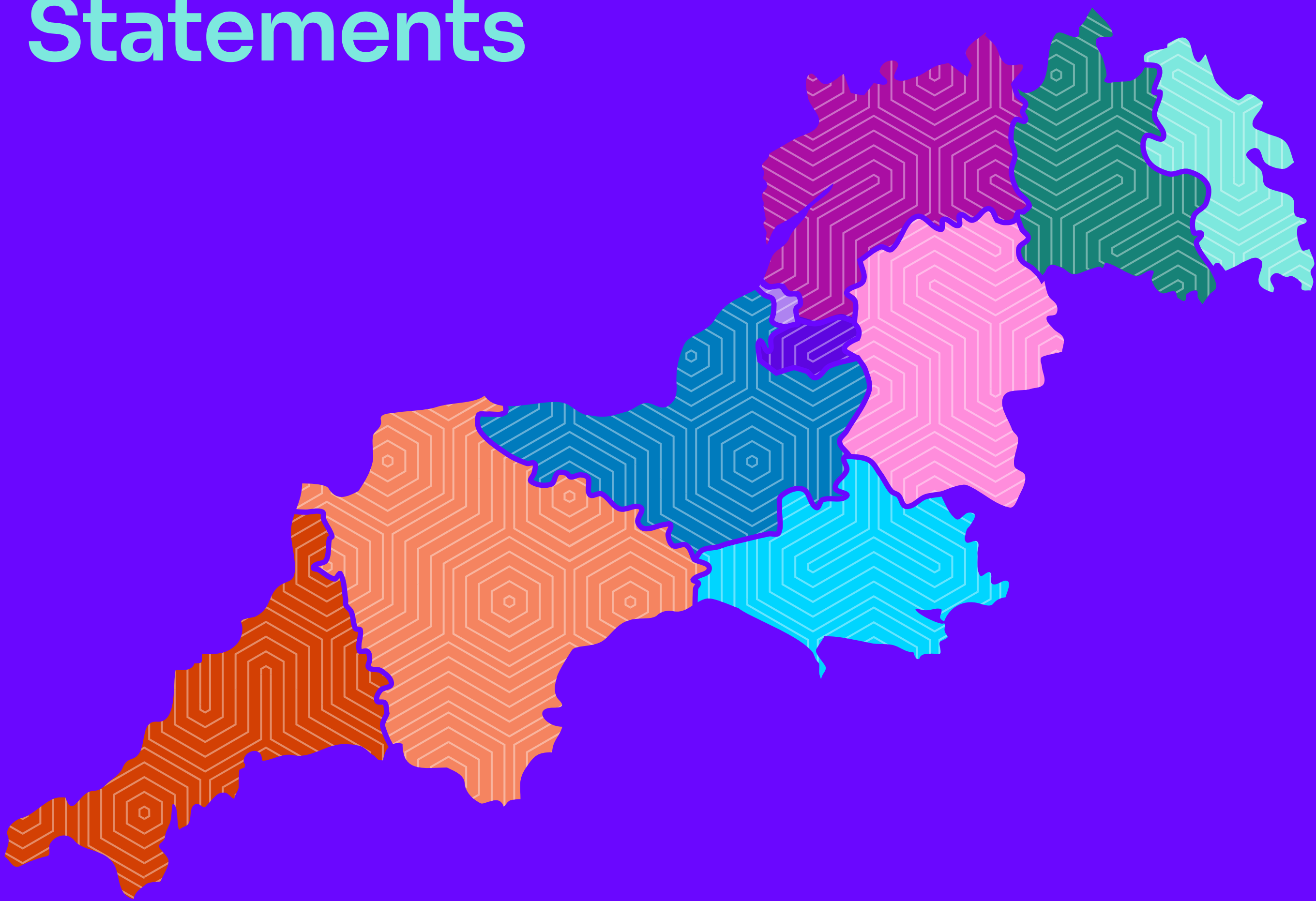
Brunel Pension Partnership

Brunel Pension Partnership Limited Annual Report & Financial Statements



For the year ended 30 September 2023

Company registration number 10429110
Authorised and regulated by the Financial Conduct Authority No. 790168

Contents

Company Information

The company is a private company limited by shares and is registered in England and Wales.

Registered Number: 10429110
Registered office: 101 Victoria Street, Bristol BS1 6PU
FCA Registration number: 790168

Directors

Laura Chappell
Chief Executive Officer

Miles Geldard
Non-Executive Director

Denise Le Gal
Chair

Liz McKenzie
Non-Executive Director

Patrick Newberry
Non-Executive Director

Roelie van Wijk-Russchen
Non-Executive Director

David Vickers
Chief Investment Officer

Joe Webster
Chief Operating Officer

Bankers
National Westminster Bank PLC

External Auditors
PKF Littlejohn LLP

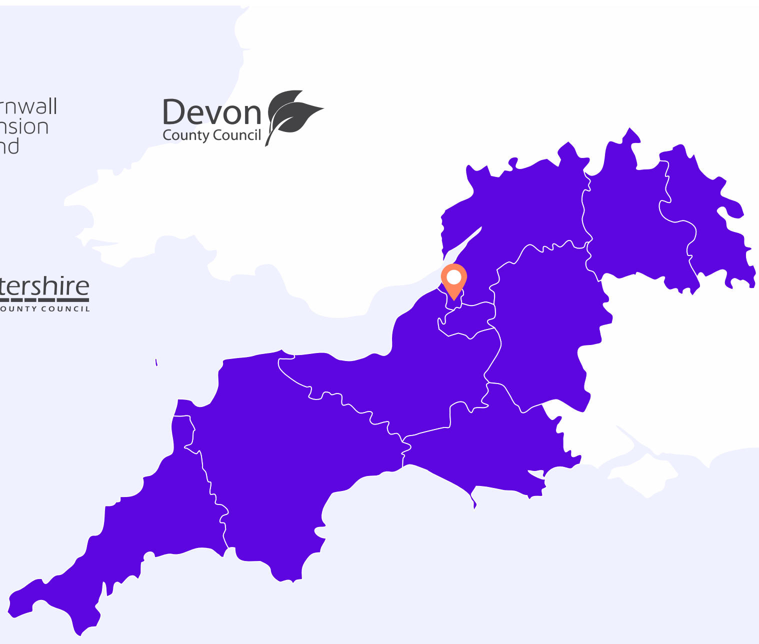
Internal Auditors
Deloitte LLP

Tax Advisors
Deloitte LLP

Legal Advisors
Eversheds Sutherland

Financial Advisors
PricewaterhouseCoopers LLP

Avon Pension Fund
Buckinghamshire Council – Buckinghamshire Pension Fund
Cornwall Pension Fund
Devon County Council
Dorset County Pension Fund – administered by Dorset Council
Environment Agency Pension Fund
Gloucestershire County Council
Oxfordshire Pension Fund
Somerset Council
Wiltshire Pension Fund



Strategic Report & Business Review

Strategic Report & Business Review

Laura Chappell, CEO

Brunel Pension Partnership is one of eight UK Local Government Pension Scheme pools, bringing together the investments of ten like-minded funds: Avon, Buckinghamshire, Cornwall, Devon, Dorset, the Environment Agency, Gloucestershire, Oxfordshire, Somerset and Wiltshire.

Strategy & Purpose

Our priority is to manage our fiduciary duties to our clients. Our partnership has also made major commitments on **Responsible Investment (RI)** and **Climate Change**, in line with our shared **values**. In this way, we aim to help our clients provide not only for their members' retirement, but for the world they will retire into.

Our motivation lies in our aim to forge better futures by investing for a world worth living in. We therefore make long-term, sustainable investments supported by robust and transparent processes. Underlying these aims and processes are the values we share across Brunel, values that we have defined together, through workshops and consultation.

Applying our principles and values remains paramount as we set that course, making us more effective internally and justifying pressure on the managers we appoint and the companies we are invested in across several RI priorities, from biodiversity to human rights. We measure success annually against the targets set out in our RI Policy.

Value for money

One of the key reasons for pooling was to achieve **costs savings** for LGPS clients. Brunel is currently making £41m in cost savings annually versus pre-pooling, which is double what the business case anticipated for this stage. We are on track to deliver **£43m** net savings (11.7 bps) per annum by 2025. Brunel has already broken even, saving around four-and-a-half times the costs we incur via the management fees we negotiate.

As Brunel matures, the pre-pooling position becomes less relevant to our clients. Brunel has successfully implemented its **Value For Money (VFM) Balanced Scorecard**, which focuses on the long-term sustainability of the business and ensures the requirements of key stakeholders are being met. We will drive our future performance by measuring financials, customer service, internal processes, and learning and growth to evaluate overall performance and to move away from a pure cost-savings focus.

Brunel remains a client outcomes-driven business with the following three strategic objectives:

- Resilient delivery of core services
- Delivery of Value for Money
- Delivery of the returns required through cost-effective, industry-leading Responsible Investment solutions

Brunel is authorised and regulated by the Financial Conduct Authority as a full-service MiFID firm.

Review of 2022/23

Assets under management increased to £30.8 billion during the reporting period, equating to 84% of client investments within the partnership pooled structure. Listed Markets account for £25.2bn across 18 portfolios and these continue to be managed to meet client investment needs.

At year-end, private markets portfolios accounted for £3.5bn of deployed capital (excluding property), with a further £3.4bn committed from the three investment cycles implemented, including the launch of a private equity portfolio of funds managed by Neuberger Berman. Discussions with clients are currently taking place regarding potentially launching cycle 4 in April 2024. A further £2.1bn represents property assets now managed by Brunel on behalf of clients.

Performance for the year to the end of September 2023 for the listed market portfolios was positive in absolute terms, and mixed in relative terms, with the Global High Alpha, Global Small Cap Equities and Sterling Corporate Bond portfolios ahead of benchmark and the UK, Emerging Markets and the Sustainable Equities portfolios behind. The Diversified Returns Fund and Multi Asset Credit Portfolio each posted positive absolute returns.

In 2023, Brunel continued to prioritise Responsible Investment. We published our latest **Responsible Investment & Stewardship Outcomes report**, whilst retaining UK Stewardship Code signatory status. We were also a signatory to the *UK Asset Owner Letter on FCA consultation paper – Primary Markets Effectiveness Review*, to ensure that the UK's historically high corporate governance standards and robust investor protections are maintained, in order to support healthy capital markets in the future.

Brunel also launched its new **Climate Change Policy 2023-30**, raising its ambitions to manage climate change risk across its portfolios and in the industry at large. The formulation of the new Policy followed a one-year **Climate Stocktake** process, in which Chronos Sustainability

CASE STUDY

Affordable homes for post-industrial Camborne

(See our 2023 Review for more)

"These 67 new homes in Camborne are a great example of sustainable brownfield regeneration on a site that has been empty for years."

provided independent oversight to enable deep consultation with multiple stakeholders on the content and impact of Brunel's existing Climate Change Policy, which had been launched in early 2020.

Brunel's success over recent years is based on a strong partnership and great people. Our development in terms of capability, competency and general headcount has been significant over the past five years, but our reward and remuneration strategy did not keep pace with the market. Our **People Strategy** and, specifically, our Remuneration Policy was approved by shareholders in May 2023 and is supporting the mitigation of the people risk.

In July 2023, the government launched its long-awaited consultation on the future direction of LGPS pooling, to which we responded. The main thrust of the **LGPS Consultation** is that the government believes that the pace of transition to pooling needs to accelerate, particularly in relation to listed assets. The government also made clear its wish to see greater scale in LGPS pooling.

Future Developments

Brunel is undertaking a major procurement exercise to **retender** its front and middle-office services for its Private Markets programme. This is a regulatory requirement and is critical to the delivery of its growing private markets offering. The outcome will be known in early 2024.

Brunel will continue its **Governance Review** and aims to complete the **Shareholder Agreement Review** to ensure the oversight and effective management of the company. This exercise brought the partnership together to ensure that shareholder governance fits this stage of the company's development, to allow for effective operational management and decision-making.

We have also been working on the appointment of Thesis Unit Trust Management (Tutman) to operate the **Brunel Authorised Contractual Service** (ACS). Tutman commenced services on 1 October 2023. Our choice of Tutman for its UK tax-transparent collective investment scheme will see the scheme renamed TM Brunel Pension Partnership ACS. The operating model provides for scalable growth with a highly regarded professional alternative investment fund manager (AIFM). As ACS operator, Tutman performs oversight and governance services for ACS investments, ensuring the delivery of regulatory functions, while delegating investment management back to Brunel.

Section 172 Statement

Brunel considers its key stakeholders to be its clients and shareholders, employees and the wider community. Details of how we have engaged with our stakeholders during the period can be found in the following sections:

- **Clients and shareholders** – Stakeholder engagement on page 25
- **Employees** – Disclosures: employee engagement, gender pay and CEO pay on page 17
- **Wider community** – Climate targets section on page 14.

All our documents referenced in this Annual Report can be found on our website.

Report from the Remuneration Committee

Roelie Van Wijk-Russchen, Chair of the Remuneration Committee

The Remuneration Committee crafts Brunel's approach to remuneration so that the company has the leadership team sought by our clients and shareholders.

Brunel's success over recent years has been based on a strong partnership and great people. Our development in terms of capability, competency and general headcount has been significant.

During the reporting year, with the support of our shareholders, we successfully implemented our People Strategy and updated our Remuneration Policy. This was a key strand to retain and attract people who play an important role in achieving our shareholders' Value for Money objectives, and all the cost savings that come with them.

The focus was on increasing our total compensation to a level we can evidence as fair, and based on both sustainable benchmarking and a more flexible pension offering.

This assisted in addressing what we saw as a major issue, namely, that remuneration in some key areas of the business was not competitive versus the wider market. As Brunel campaigns on fair pay, in line with our Responsible Investment priority themes, it was important for us to live up to the same values internally.

Brunel has now established its Value for Money framework through the implementation of its Balanced Scorecard, which links the long-term sustainable success of Brunel to annual remuneration considerations and pay awards.

Report from Audit & Risk Committee

Patrick Newberry, Chair of the Audit, Risk & Compliance Committee

Brunel's operational environment continued to experience significant new risks over the reporting year. Geopolitical risk remained heightened, the global economic outlook remained uncertain, whilst climate change became more politicised globally. Instability remained in UK politics and – over the year – we saw greater recognition of the potential risks of Artificial Intelligence (AI). These factors all contributed to a difficult context in which to operate.

Our success is driven by effective risk management, and we continued to put significant effort into actively monitoring current risks whilst scanning the horizon for emerging risks. Brunel's operating model was built to be inherently low-risk, through the design of the investment model and the use of strong outsourced service providers, and this continued to be the case.

The Board is accountable for ensuring that a robust system of risk management and internal control is in place. We use the 'Three Lines of Defence' model to assess and manage risks, setting clear risk appetite limits and financing the residual risks with appropriate capital resources.

During the previous reporting year, the Financial Conduct Authority's capital adequacy requirements underwent a significant change. Thus the FCA launched the UK Investment Firm's Prudential Regulation (IFPR) regime, introducing new capital and liquidity requirements and revised remuneration and governance standards. These new standards require investment firms to complete their first Internal Capital Adequacy and Risk Assessment (ICARA), which the Board approved in January 2023.

Core to the new approach is the continued identification and management of the risk of harm to clients. Brunel's implementation has involved a significant shift in thinking to place greater emphasis on the needs and protection of clients. The new investment management regulation aligns closely with Brunel's culture, which emphasises the importance of adding value for our clients, and ensures risk is continually reviewed and at the forefront of our minds for all our activities throughout the year.

Our strong culture also embodies good Responsible Investment (RI) principles and is a significant contributor to effective risk management. As an investment manager that focuses on high RI standards, it is only logical that we should apply these standards to ourselves. We place significant reliance on the good conduct of our employees and, from inception, have developed our culture to support employees managing risks within the appetite set as part of our risk management framework.

It was another turbulent reporting year at a macro level, so our particular focus was on: the risks arising from heightened geopolitical tensions; the increasingly unstable economic outlook; the government's proposed changes to pension provision and pooling; continued cyber security threats, with particularly attention to the growth in AI; and the evolving models of working for staff post-pandemic.

Key Risks

We define risk under four headings: strategic, financial, operational, and conduct. Our exposure to these risks is assessed in the light of the current environment, taking into consideration the views of the risk owners, and the regulatory, client and political environments, together with input from other subject matter experts inside and outside the business. Each quarter, the Audit and Risk Committee ('ARC') considers those risks it believes to be heightened by contemporaneous events and then undertakes further work to ensure those risks are mitigated and managed within our agreed tolerance levels.

During **2022-23**, Brunel's key risks included **strategic risks**, drawn from the government's pooling consultation, considering the impact this could have on Brunel's future operating model; **people risks**, as the post-pandemic norms for remote working began to settle including cost of living pressures, which Brunel mitigates through the implementation of its People Strategy); **cyber security**, where we remain extremely vigilant, whilst also considering how we react to the growth of AI; **climate change risk**, exacerbated by slower-than-hoped-for progress in reversing the causes of global warming, along with increased politicisation globally; **product innovation risk**, which is the risk of Brunel not keeping pace with changing client requirements; and **product performance risk**, which is the risk of our portfolios not delivering against their investment objectives.

As is integral to its operating model, Brunel continues to make extensive use of outsourced providers for operations. ARC keeps the risk management and internal control arrangements of outsourced providers under close scrutiny to ensure that they are sufficiently robust.

Significant internal audit reports delivered during the reporting year included reviews of ICARA readiness, Shareholder Governance, Human Resources, Investment Operations (including the oversight of third parties), and Client Relationship Management. The overall standard of control was found to be good, with areas for continuous improvement helpfully highlighted.

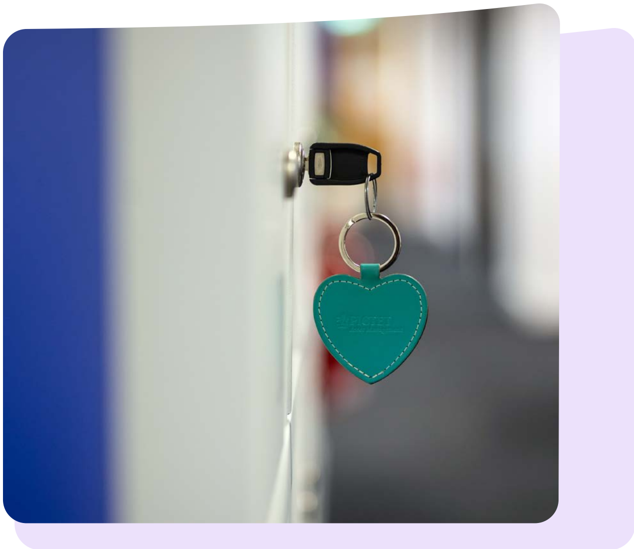
We continue to develop the business's risk management framework, and our internal auditor has noted a trend of improvement in this area. Developing the framework in this way ensures that we not only manage known risks effectively, but also that we have the best chance of anticipating and managing new and emerging risks. This work will remain central to Brunel's commitment to continuous improvement and to its ongoing determination to deliver significant value for its stakeholders.

Walking the Talk

Brunel applies its principles not only to its portfolios and appointed managers but also to our internal operations. This was evident across a number of different areas in 2023. We made a new commitment to include social value questions in our procurement process; and we received (or formally sought) accreditation across a range of themes: Real Living Wage, LGBT, Cyber security, and more.

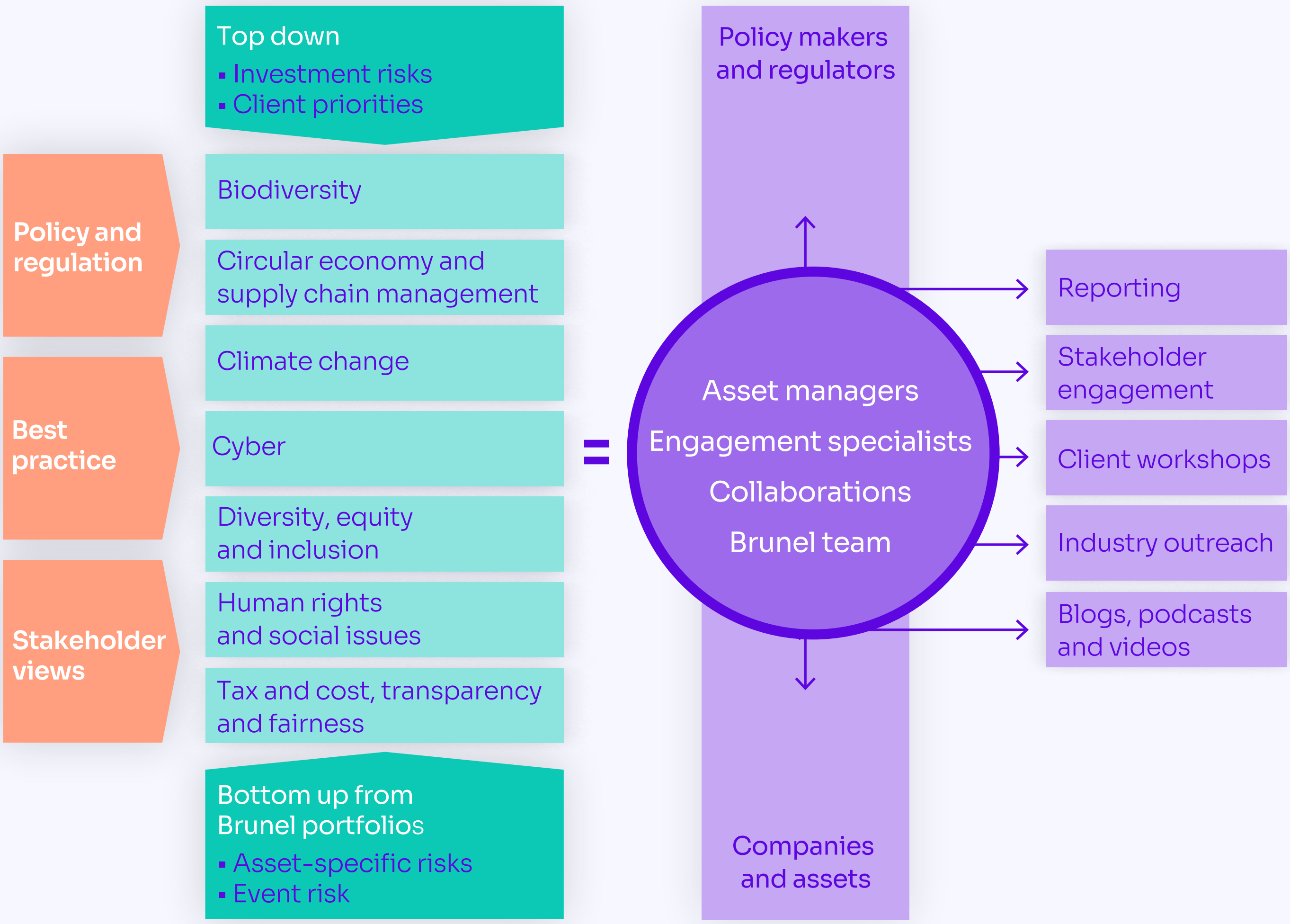
Brunel published its Responsible Investment & Stewardship Outcomes Report for year ending 31 December 2022. This was Brunel's fourth Outcomes report and demonstrated progress against our seven priority RI themes. As our business matures, our partnership approach with clients and others stakeholders enables each step to be a shared evolution.

In setting our RI and stewardship priorities, we start with our **Investment Principles**.



Details of our RI & Stewardship priorities can be accessed in our latest **RI & Stewardship Outcomes Report** but are also illustrated on the following page. These documents can be found on our website.

Brunel RI and Stewardship Priorities



Managing Systemic Risks

Brunel's approach to managing systemic risks is to leverage the company's role in the finance system. Brunel, in partnership with its clients, sits at the top of the investment chain. **Brunel outsources 100% of its assets under management and specialises in portfolio construction and risk management through the selection, appointment and monitoring of asset managers**. We work collaboratively with other investors, policy makers and regulators to build capacity to manage these risks and opportunities.

Resourcing corporate engagement

Our approach is to leverage an outsourced model to maximise impact. Our first line of asset-level engagement and stewardship is via our appointed asset managers. Our second line is a specialist engagement provider, who provides additional engagement resource and executes our voting intentions across our non-pooled listed active fund assets. Finally, our third line is the internal team. In collaboration, Brunel will often undertake direct engagement with businesses.

Our investment team has strong knowledge of ESG risks, and we prioritise the growth of this knowledge, such as through ESG modules set by the CFA. Moreover, RI is integrated into our Senior Management Certificate Regime and into personal development objectives within our performance management process.

Task Force on Climate-related Financial Disclosures principles

In March 2021, **Brunel Pension Partnership committed to be Net Zero by 2050** at the latest and to halve its portfolio emissions intensity by 2030. It therefore signed the UN Race to Net Zero-compliant Paris Aligned Asset Owner Commitment.

Since then, we have conducted a Climate Stocktake and published an updated Climate Change Policy. In 2023, we also published a new TCFD Climate Action Plan. We publish a Carbon Metrics Report every year to track our progress against emissions goals (with progress on broader climate targets captured in the **Outcomes Report**). We are strong advocates of global mandatory disclosure.

Metrics and targets

We use a number of different complementary ESG and carbon-specific datasets in order to monitor and report on the risks within our investment portfolios – for both internal and external audiences.

We use data, such as that provided by the Transition Pathway Initiative (TPI), to help us understand the exposure to any carbon-intensive companies and to assess their preparedness for the transition to a low-carbon economy.

Climate Targets

Emissions intensity reduction by 2030: at least 50% reduction in weighted average carbon intensity (scopes 1 & 2), for each listed portfolio compared to its investable universe by 2030.

This implies a 7% minimum average annual reduction, which was defined as consistent with the decarbonisation trajectory under the **IPCC's 1.5°C scenario** (with no or limited overshoot).

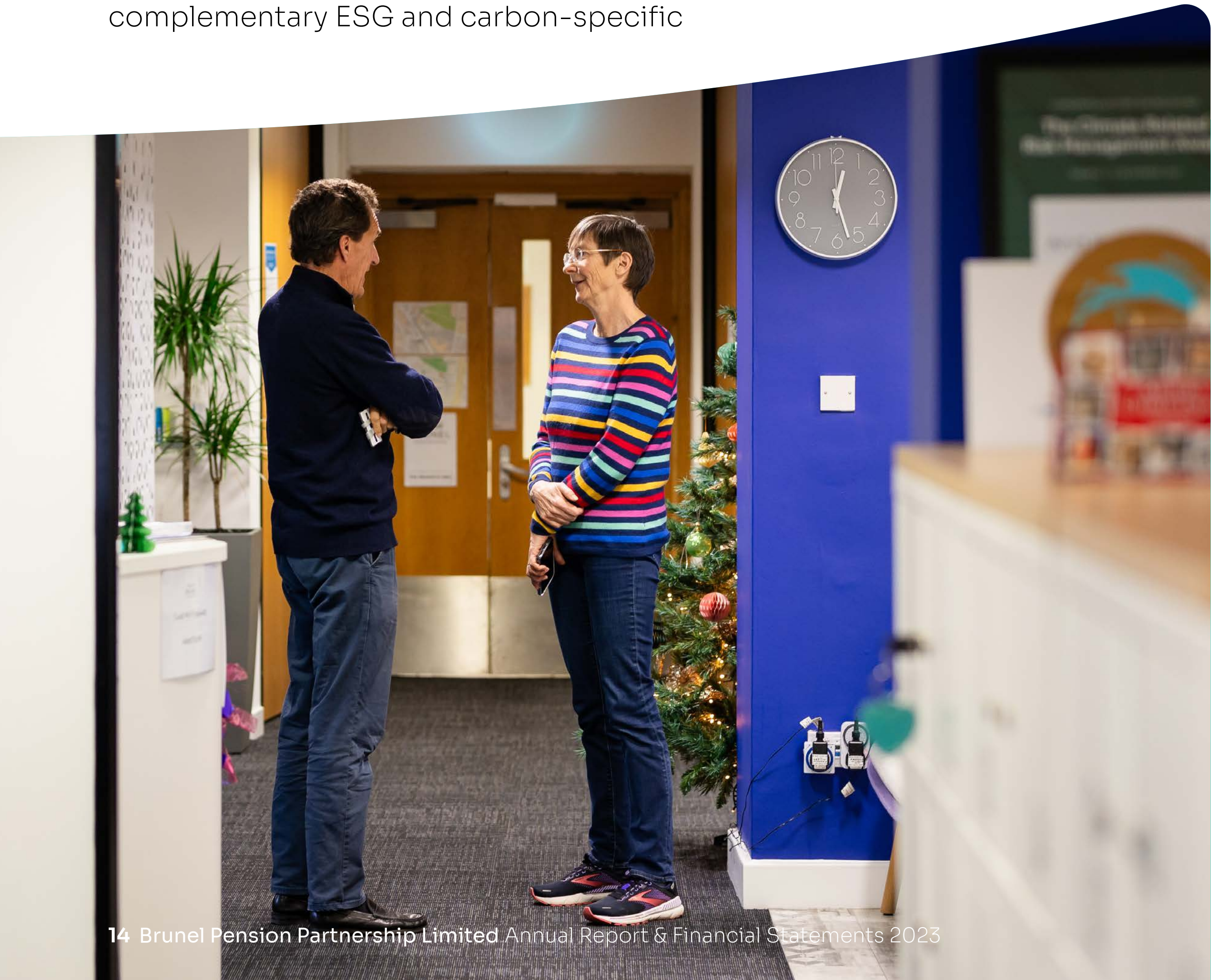


Table 1: Carbon Intensity Reduction Against 2019 Baseline

Portfolio	Reduction %	2022 Portfolio	2019 Baseline
Brunel Aggregate	34.68	224	343
Active Portfolios			
Brunel UK Active Equities	21.91	220	282
Brunel Global High Alpha Equities	40.22	180	301
Brunel Emerging Markets Equities	44.70	315	570
Brunel Active Low Volatility Global Equities	40.16	200	334
Brunel Global Sustainable Equities Equities	20.89	264	334
Brunel Global Small Cap Equities*	32.25	209	309
Brunel Sterling Corporate Bonds**	17.52	152	184
Passive Portfolios			
Brunel Passive Smart Beta	12.81	483	554
Brunel Passive UK Equities	-5.80	298	281
Brunel CTB Passive UK Equities	10.96	250	281
Brunel Passive Developed Equities	5.65	286	303
Brunel PAB Passive Global Equities	41.08	179	303
Brunel CTB Passive Global Equities	26.13	224	303

* Trucost updated methodology in 2020 means we have taken December 2020 as a baseline for the Brunel Global Smaller Cap Equities
** This Portfolio has a baseline of 31 December 2021

Operational risks

Brunel has made a firm-wide commitment to the integration of climate risk throughout its own operations.

Brunel has committed to be Net Zero in its operational (scope 1 and 2) emissions and already made considerable progress in measuring and reducing its Scope 3 emissions by 2030.

Our exposure to physical climate risks such as flooding and extreme weather is mitigated through a highly agile workforce. All staff are provided with the technology to work remotely. Our office energy supplier aligns with our green credentials. The electricity they supply is 100% generated from solar, wind or hydro power. In addition, the supplier uses its profits to invest in new and more efficient ways of generating renewable energy.

Our office also has facilities such as bike storage, showers and changing rooms, as well as proximity to public transport networks.

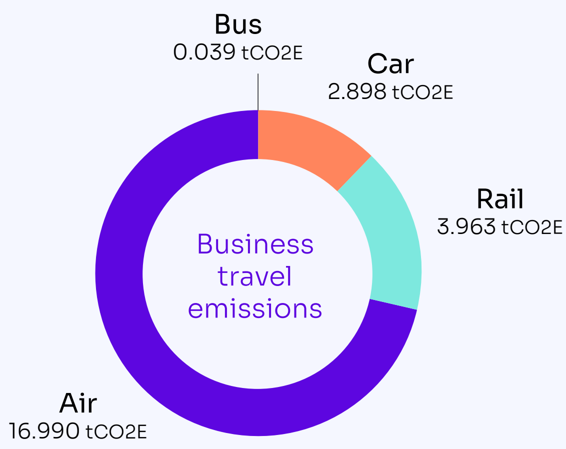
We continue to look for ways to reduce the carbon footprint within our operations and are actively investigating options for carbon offsetting, where appropriate. In 2023, we therefore commissioned **our first full carbon footprint report** to set a baseline for operational emissions, thereby enabling targets and improvements in future years. We have already started work on follow-on actions that will impact our organisational footprint in the current reporting years (ending Sept 2024).

Business Travel

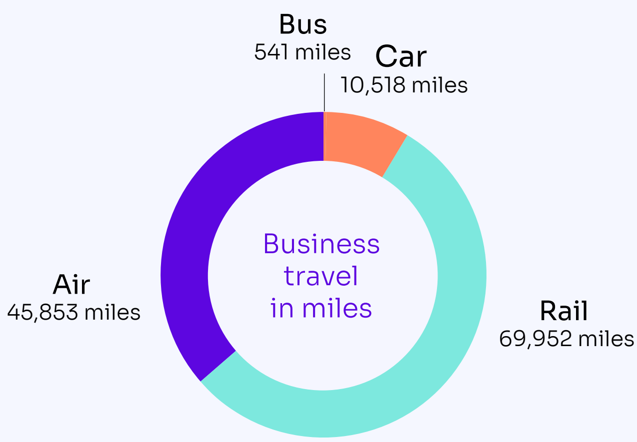
Whilst it is not always logistically possible, we encourage staff to travel by public transport as much as possible. We undertook analysis of our staff business travel over the 12-month period to 30 September 2023.

We assessed the mileage from these journeys to estimate the associated fossil fuel emissions from our business travel. We used the conversion factors from DEFRA to estimate our emissions. Whilst air travel made up only 36% of mileage, it accounted for 71% of carbon emissions over the period. Rail accounted for 55% of mileage but contributed 17% of carbon emissions; whereas car travel represented 8% of mileage and contributed 12% of carbon emissions.

Business travel emissions (tCO2E)



Business travel miles



Mode of transport	Miles travelled	CO2 (tonnes)	CH4 (tonnes)	N2O (tonnes)	CO2e (tonnes)	Emissions factor source
Car	10,518	2.877	0.003	0.018	2.898	UK DEFRA, Passenger vehicles, 2023
Rail	69,952	3.923	0.009	0.032	3.963	UK DEFRA, Business Travel - land, 2023
Air	45,853	16.903	0.003	0.084	16.990	UK DEFRA, Business Travel - air, 2023
Bus	541	0.038	0.000	0.000	0.039	UK DEFRA, Business Travel - land, 2023
Total*	**126,864**	**23.741**	**0.015**	**0.134**	**23.891**	

Emissions estimated using 2023 DEFRA Emission Factors.

Disclosures: employee engagement, gender pay and CEO pay

Gina Filipe, Head of HR

Employee engagement

Engaging with staff and stakeholders is a crucial aspect of our organisation. We believe in fostering open and transparent communication channels to ensure that everyone's voice is heard and valued.

We actively seek feedback and input from staff through various surveys, meetings and employee consultation groups to understand their needs and expectations as well as sharing important updates from the organisation.

Our successful strategies are supported by our Employer Net Promotor Score which is currently +40 for the second year running – a major achievement and one which demonstrates the high levels of motivation in our workforce.

We also encourage engagement outside of Brunel, by promoting volunteer days for our employees to partake in support activities that are meaningful to them – driving our commitment to both our wider community and our employees.

Fostering Change: Gender Pay

Brunel has fewer than 250 employees, so is not required to disclose its gender pay gap. However, since Brunel is committed to transparency and to making itself an attractive employer, the Remuneration Committee voluntarily discloses our gender pay gaps.

Brunel aims to create an inclusive and diverse workplace and the gender pay review helps us to monitor fair remuneration within our workforce. We have, where possible, adopted hiring practices that address the gender pay gap through looking for a gender-balanced cohort of candidates and seeking balance across a much broader range of diversity and inclusion metrics.

First of all, we want to acknowledge our gender pay gap. This was a broad-based phenomenon in terms of pay quartiles. At an absolute level, it reflected the fact that, over the reporting year, the lower quartile still largely comprised female members of staff (65%), but that was a significant improvement on the 2022 figure (81%). Slippage instead came in the form of more marginal changes across the top quartile (35%, down from 38%) and the lower-middle quartile (59%, up from 53%). These various changes reflected the entry of more men into the upper quartile; some off-cycle salary increases; and promotions of females.

There was a slight improvement in aggregate versus the previous year, and the general trajectory remains strong, in line with Brunel's awareness of the issue and long-standing commitment to address the gap through training and flexible working.

Our efforts in the past year were particularly focused on recruitment; development of our people; and workplace culture. Our new People Strategy only added to the momentum.

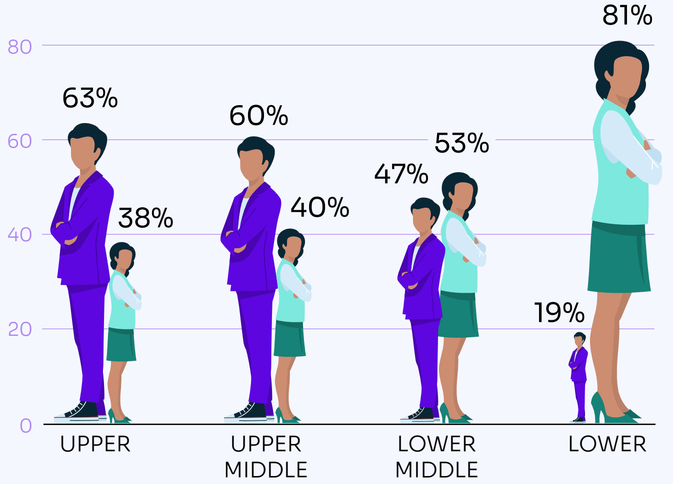
Brunel pay quartiles: Men versus Women

What percentage of each Brunel pay quartile do women and men each account for?

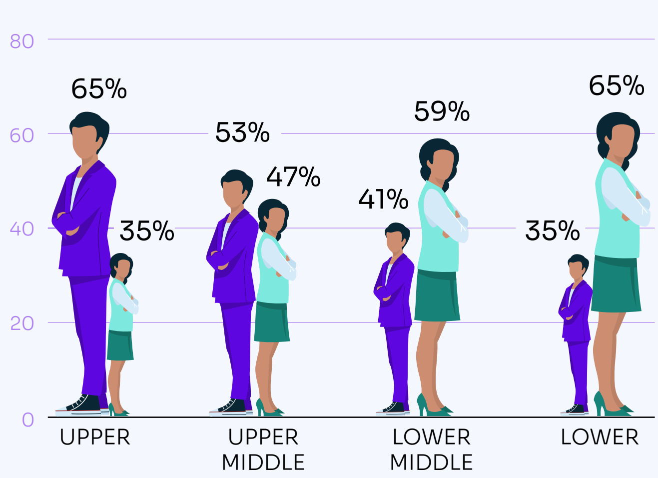
Women's **median** hourly rate is **37% lower** than men's compared to **44%** last year.

Women's **mean** hourly rate is **17% lower** than men's, compared to **18%** in the previous year.

2022
Quartile %
Males and females



2023
Quartile %
Males and females



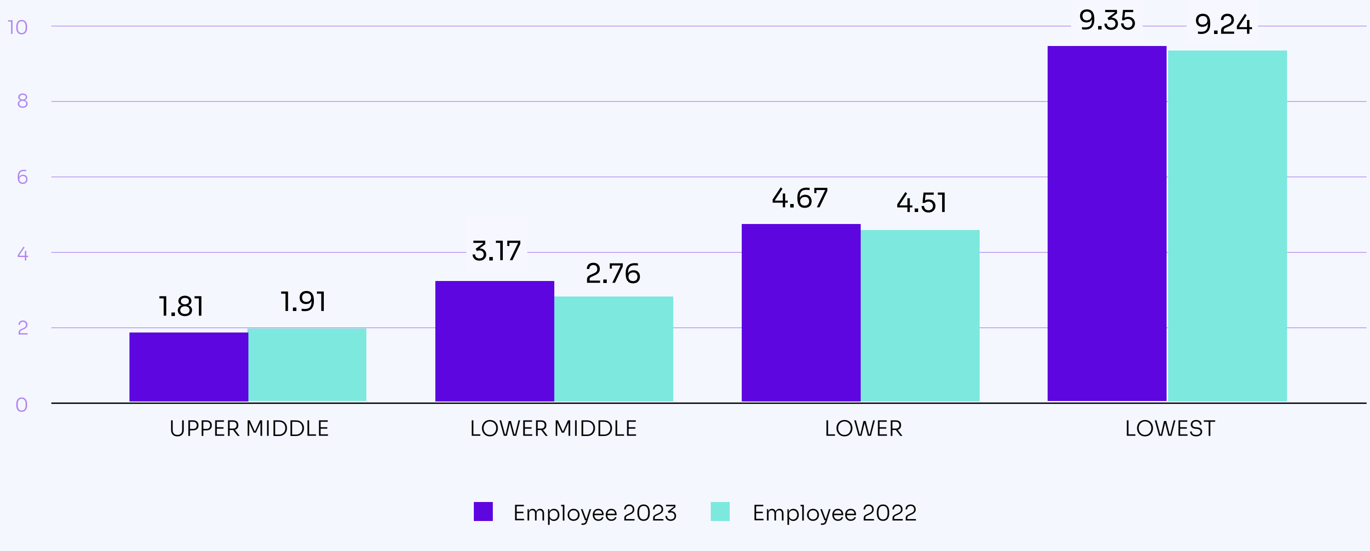
Males Females

CEO Pay Ratio

The CEO pay ratios capture the relationship between employee salaries throughout the organisation and the CEO's pay. These ratios show how much the CEO earns relative to employees in each quartile. The CEO pay ratio increased in the three lower pay quartiles, particularly in the lower-middle range, reflecting the higher proportion of pay increase awarded to the CEO than to these quartiles. It decreased in the upper middle quartile, reflecting the higher proportional increase for that quartile than for the CEO. Additional headcount and off-cycle movement also affected outcomes.

	2022/23	2021/22	Change
Upper middle	1.81	1.91	-0.1
Lower middle	3.17	2.76	0.41
Lower	4.67	4.51	0.16
Lowest	9.35	9.24	0.11

CEO Pay Ratio 2023 versus 2022



Corporate Governance

Overall Financial Performance

Corporate Performance

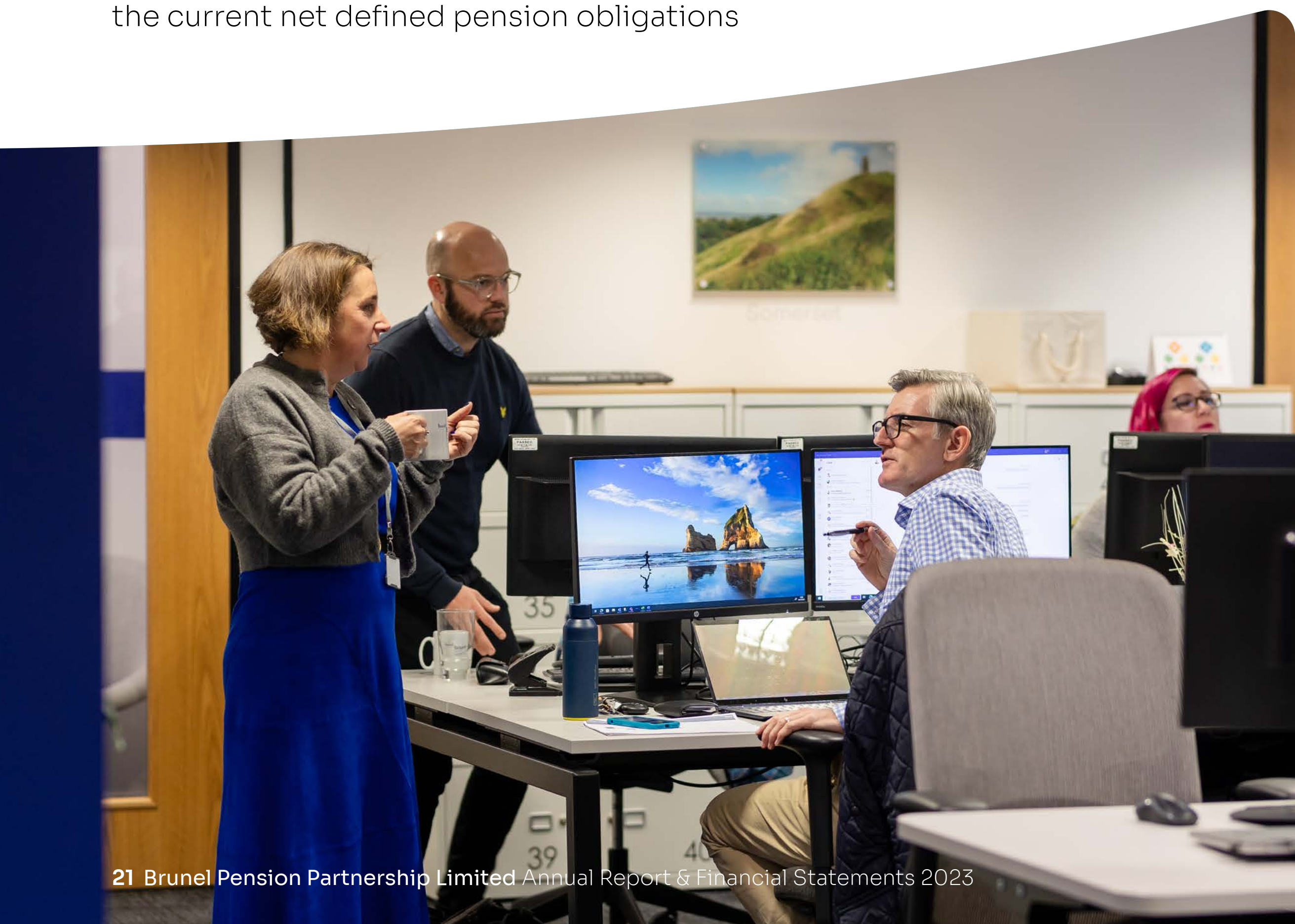
During the year ending 30 September 2023, Brunel made a profit of £0.2m (2022: £0.2m) before pension service charges, interest, and taxation. Brunel's pricing policy allows it to invoice clients for its forecast operating costs on a cost-plus basis. We provided a chargeable service to clients, recognising revenues of £12.0m (2022: 11.8m) before other income.

An operational profit before tax is reported of £0.03m (2022: loss of £1.0m) which includes the pension service charges. Total comprehensive income for the year is a profit of £0.2m (2022: loss of £1.3m). Brunel has seen further actuarial gains of £0.3m (2022: £9.0m) arising from the continued increase in bond yields up to the end of September 2023. This has extinguished the current net defined pension obligations and offset from the subsequent fall in the value to zero of the Pension Recharge Asset (2022: £0.1m).

The year-end cash balance was £11.5m (2022: £10.8m), which includes an amount of deferred revenue relating to the coming year of £4.0m (2022: £3.1m).

In the financial statements, accounting for the defined benefit pension scheme is the most complex item, so to help users of this report we've included some supplementary detail.

At year-end, under FRS102 rules an accounting adjustment must be added to represent the actuary's view of the pension current service, over and above the contributions paid into the pension fund. This year the difference was a £0.2m charge (2022: £1.2m).



This adjustment is reversed through the actuarial gains and losses within the Total Comprehensive income for the period. This impact is shown in the table below.

	2023 £'000	2022 £'000
Turnover and Other income	12,041	12,021
Cost of sales/ Admin Expenses	(11,824)	(11,838)
Management View: Profit before taxation (before Pension Service Charges, Interest & Taxation)	**217**	**183**
Pension Current Service/Net Interest Cost*	(187)	(1,231)
Profit/(Loss) before taxation	**30**	**(1,048)**
Taxation	7	255
Profit/(Loss) for the period	**37**	**(793)**
Actuarial gains and losses*	289	9,035
Remeasurement of pension reimbursement asset	(102)	(7,574)
Tax on items of other total comprehensive income	(72)	(1,981)
Total comprehensive income/(Loss) for the period	**152**	**(1,313)**

* Pension Current Service costs are reversed as part of the overall movement in the actuarial gains and losses.

Movement in Pension Liability

In 2020 a Pension Recharge Agreement (PRA) was provided by our shareholders which largely mitigates the volatility of the movement in pension liabilities. The current position of the pension liability and value of the pension reimbursement asset is shown below.

	2023 £'000	2022 £'000	Movement £'000
Pension scheme assets	10,230	8,872	1,358
Pension defined benefit obligations	(9,314)	(8,974)	(340)
Asset Ceiling Adjustment	(916)	-	(916)
Net pension (liability)/asset	**-**	**(102)**	**102**
Pension reimbursement asset	**-**	**102**	(102)
Gap	**-**	**-**	**-**
Coverage	**n/a**	**100.0%**	

	Net Pension Liability £'000	Pension Reimbursement Asset £'000
Movement in the pension liabilities:		
Excess current service costs over contributions paid	(187)	–
Change in financial assumptions and experience items	1,488	(102)
Returns of assets	(283)	–
Asset Ceiling Adjustment	(916)	–
Total	**102**	**(102)**

Due to the continued movement in bond yields from the previous year, the discount rate used to measure the pension liabilities increased by 0.4%, which, coupled with the drop in long-term assumed inflation rates of 0.3%, lowered the liabilities further. This was partially offset by a smaller uptick in projected salary increases of 0.6%.

The actuary has valued a net pension asset of £916k. Based on the fact Brunel has no unconditional rights to the surplus and the assumption that there is a minimum funding requirement for the pension fund which is greater than our current projected cash contributions, this has been limited to zero through the asset ceiling adjustment.

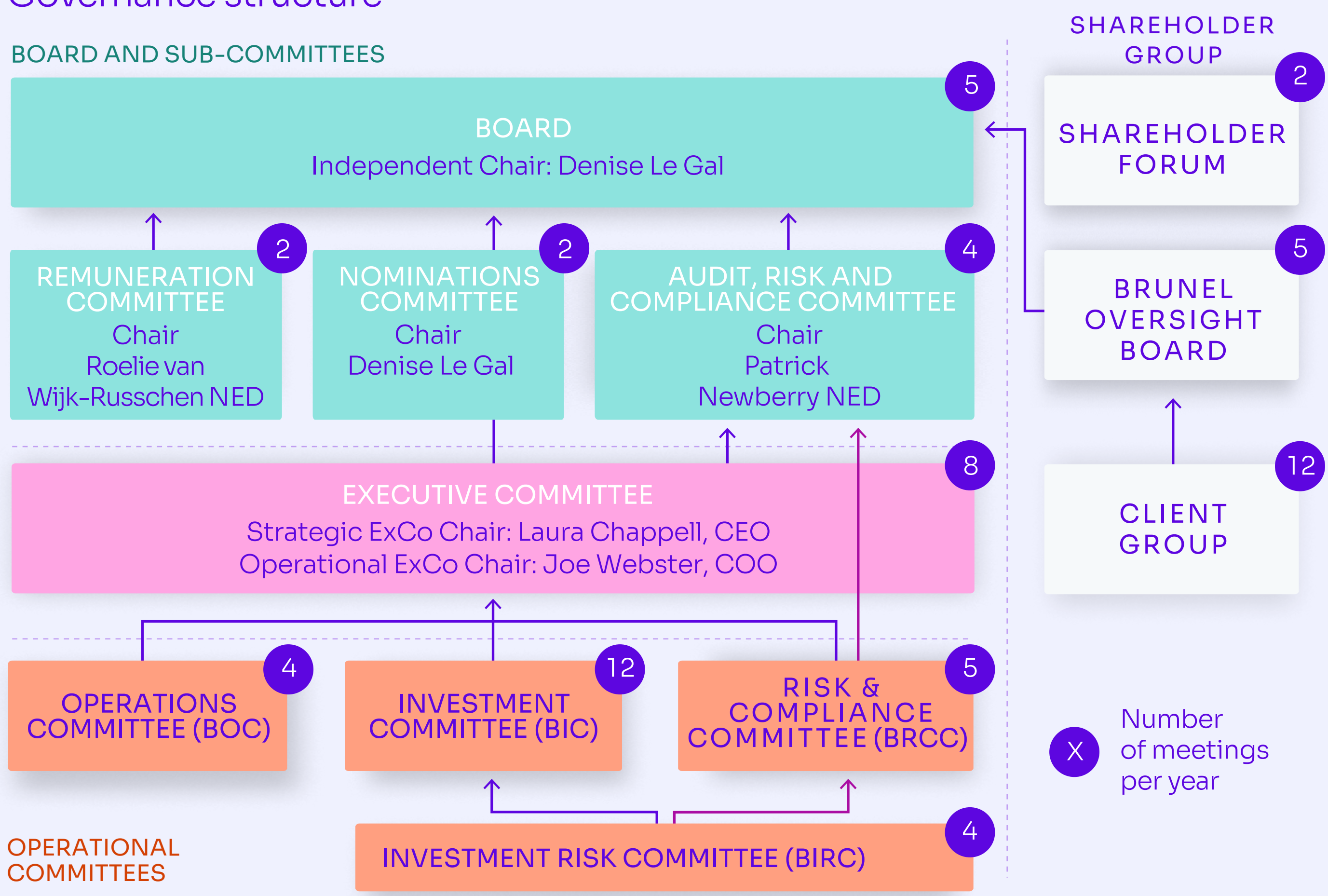
The pension reimbursement asset is historically valued by our advisers (PwC) taking account of future anticipated cashflows to fund the long-term pension liability position and the virtual certainty provided by the signed Pension Cost Recharge Agreement. Both the pension liabilities and pension reimbursement asset models are subject to sensitivities which are shown in the notes to the Financial Statements. Although the pension reimbursement asset is intended to offset the pension liability, movements in the asset and liability do not exactly match each other because accounting standards require the use of different discount rates to derive values for the asset and liability. As there is £0 net pension obligation as at September 2023, this asset has also been revalued to zero.

Governance Structure

Board and committees

- Brunel is an FCA-regulated MIFID firm and accordingly needs to comply with the relevant FCA Handbook rules which include the FCA Principles for Business, PRIN 2.1. These are general statements of fundamental obligations which apply to all FCA-regulated firms.
- As of 30 September 2023, the Board of Brunel consists of five Independent Non-Executive Directors (NEDs): Denise Le Gal (Chair), Liz McKenzie (Shareholder NED), Patrick Newberry, Roelie van Wijk-Russchen and Miles Geldard
- Independent Non-Executive Directors chair all Board subcommittees and are the only permanent members
- Executive members of the Board are the CEO, COO and CIO
- The Shareholder Forum consists of the Shareholder NED, and representatives from each Shareholder
- The Brunel Oversight Board comprises one representative from each Pensions Committee (ten in total), and two member-representative observers, Andy Bowman and Alistair Bastin
- Client Group is made up of Client Fund Officers

Governance structure



Stakeholder Engagement

Tim Dickson, Head of Client Relationship

The effectiveness of Brunel's investment processes depends on aligning our activities with the wishes of our client funds' pension committees. In 2023, members of the investment and executive teams highlighted that dependence by attending 23 pension committees, as well as providing a number of training days on both private markets and Responsible Investment.

In September, near the end of the reporting year, Brunel hosted an Investor Day, in order to enable our clients to hear directly from the fund managers on their portfolios. More than 100 attended the event, where they enjoyed presentations on a range of topics, including 'systemic stewardship', the Global High Alpha portfolio, and navigating a path to Net Zero in private markets.

Earlier in 2023, we completed a major development project on our quarterly reporting, to enhance communication to committees. Responses to our 2023 Client Survey highlighted this project as a particularly beneficial development.

The Brunel Oversight Board allows interaction between Brunel, Pension Chairs and Scheme member representatives. They met five times during the year, with active attendance by all ten client funds and both Scheme member representatives. Discussion topics covered several areas, including the evolution of Brunel's response to climate change, and investment performance across our portfolios.

Responsible Investment's high prioritisation right across the partnership was reflected in the depth and extent of RI communications. We published our annual RI & stewardship Outcomes Report and our Carbon Metrics Report, but we also conducted an extensive Climate Stocktake ahead of publishing our new Climate Change Policy in 2023, which both raised our ambitions and extended those ambitions across a broader range of asset classes.

We remained closely engaged with shareholders through the reporting year, hosting seven shareholder forums, while the Non-Executive Directors held four Shareholder face-to-face meetings.

Externally, our engagement across the industry continued through work with industry groups, such as the IIGCC (The Institutional Investors Group on Climate Change), PRI and Climate Action 100+. We continued to engage with holdings, sometimes directly and more often, through our engagement provider, EOS Federated Hermes. Furthermore, we engaged policymakers through letters and ensured a media presence in order to try to influence our peers, particularly on RI, given Brunel's stature in this area.

Directors' Report

Brunel Pension Partnership Limited
For the year ended 30 September 2023

The Directors of Brunel Pension Partnership Limited (Brunel) present their report and the financial statements for the year ended 30 September 2023.

Directors Responsibilities Statement

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently
- make judgements and accounting estimates that are reasonable and prudent, and
- state whether applicable UK standards have been followed, subject to any material departures disclosed in the financial statements.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Section 31 of the Company's Articles of Association outlines an indemnity provision for all Directors and relevant officers. The Company also has in place Directors & Officers Professional Indemnity Insurance to provide an amount of cover for any relevant loss.

Going Concern

The directors have reviewed the financial results for the year ended 30 September 2023, and the annual proposed budget to March 2025 which covers income and expenses, regulatory capital and the cashflow requirements of the business. The directors are of the opinion that the Company has sufficient financial resources to meet its ongoing obligations as they fall due over the next 12 months from the date of signing the financial statements. Accordingly, the directors believe it is reasonable for the Company to continue to adopt the going concern basis in preparing the financial statements for a period of at least 12 months from the date of signing the financial statements.

Results and Dividends

The profit for the year, after taxation, amounted to £36,708 (2022: loss of £793,166).

No dividends were paid during the year (2022: nil) and no recommendation is made to pay a final dividend.

Expected Future Developments

With all listed markets funds complete, we continued to develop our Cycle 4 of private market investments in 2023/24. Having completed our Climate Stocktake, we continue to support our clients' emerging and developing reporting requirements (e.g. on TCFD disclosures) and aim to keep developing our portfolios in line with Client requirements, investing in a way that focus across our RI Priorities.

Brunel will continue to develop its value-for-money scorecard implemented this year, complete our governance review and undertake a retender of our front and middle office services for Private Markets.

Political or charitable donations

During the financial year the Company did not make any political or charitable donations. Brunel staff select a charity or charities to support; donations come directly from people within Brunel and external supporters rather than direct from Brunel itself.

Directors

The Directors who served during the year were:

Laura Chappell
Miles Geldard
Denise Le Gal
Liz McKenzie
Patrick Newberry
Roelie van Wijk-Russchen
David Vickers
Joe Webster

Board Attendance

The list below shows the attendance at Brunel Board meetings by Board Directors during the year. There were four formal Board meetings held during the financial year ending 30 September 2023.

Laura Chappell	4/4
Miles Geldard	4/4
Denise Le Gal	4/4
Liz McKenzie	4/4
Patrick Newberry	4/4
Roelie van Wijk-Russchen	4/4
David Vickers	4/4
Joe Webster	4/4

Pension Scheme

The Company participates as an Admitted Body in the Wiltshire Pension Fund (the 'Fund') which operates a defined benefit pension scheme. As at 30 September 2023, the actuary has reported a pension surplus of £916,000 (2022: deficit of £102,000). The surplus in the current year hasn't been recognised due to an adjustment to the asset ceiling based on the fact Brunel is unlikely to receive any future reduction in contributions due to the assumed Minimum Funding Requirement.

To mitigate the impact of any pension deficit, Brunel entered into a Pension Cost Recharge Agreement ("PRA") on 24 September 2020. The implementation of the PRA provides certainty to Brunel that its shareholders will reimburse any LGPS pension-related cashflows. See note 4.7 for more details.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information

Post balance sheet events

There have been no significant events that affect the Company since 30 September 2023.

Independent Auditors

At the Board Meeting held on **18 January 2024**, PKF Littlejohn LLP was reappointed as auditor of the Company, in accordance with s487 of the Companies Act 2006. PKF Littlejohn LLP have expressed their willingness to continue in office as auditor. Following the finalisation of the 2022-23 external audit, PKF Littlejohn LLP will be proposed for reappointment as auditor of the Company at the **Annual General Meeting on 07 March 2024**.

This report was approved by the Board on 18 January 2024 and signed on its behalf.

Joe Webster
Chief Operating Officer
24 January 2024

Photo: Street cafe in Bath
liv-cashma, unsplash.com

Report of the Independent Auditor

Opinion

We have audited the financial statements of Brunel Pension Partnership Limited (the 'company') for the year ended 30 September 2023 which comprise, the Statement of Total Comprehensive Income, the Statement of Financial Position, the Statement of Cashflows the Statement of Changes in Equity, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company'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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management and application of audit knowledge and experience of the Company and the financial services sector.
- We determined the principal laws and regulations relevant to the company in this regard to be those arising from the Companies Act 2006, relevant employment and tax legislation and the rules of the Financial Conduct Authority. The Company is regulated by the FCA and we considered the extent to which non-compliance with the FCA regulations might have a material effect on the Company financial statements.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the company with those laws and regulations. These procedures included, but were not limited to:
  - Discussions with management of any known, or suspected instances of non-compliance by the Company
  - Discussions with management of any, or suspected, incidence of fraud
  - Review of any correspondence with the FCA
  - Review of any breaches during the year
  - Review of board minutes and other correspondence where deemed appropriate
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, the risk of material misstatement due to fraud related to accuracy and completeness of expenses. To address this, our work on expenses included, but was not limited to agreeing payroll costs to supporting reports and bank receipts and reviewing a sample of items in the nominal ledger, relating to cost of sales and admin expenses to supporting evidence

- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ian Cowan (Senior Statutory Auditor)
15 Westferry Circus
For and on behalf of PKF Littlejohn LLP

Canary Wharf
Statutory Auditor
London E14 4HD

24 January 2024

Royal York Crescent,
Clifton in Bristol

Financial Statements

Statement of Total Comprehensive Income

Brunel Pension Partnership Limited
For the year ended 30 September 2023

	Note	2023 (£)	2022 (£)
Turnover		12,041,032	11,761,902
Other income	6	-	259,000
Cost of sales	7	(6,318,796)	(6,219,447)
Gross profit		**5,722,236**	**5,801,455**
Administrative expenses	8	(5,885,567)	(6,899,282)
Operating Loss		**(163,331)**	**(1,097,827)**
Interest receivable and similar income		208,883	51,288
Interest payable and similar charges		(15,350)	(1,310)
Profit/(Loss) before taxation		**30,202**	**(1,047,849)**
Taxation	11	6,506	254,683
Profit/(Loss) for the year		**36,708**	**(793,166)**
Actuarial gains and losses	20	289,000	9,035,000
Remeasurement of pension reimbursement asset	20	(102,000)	(7,574,000)
Tax on items of other comprehensive income/(loss)	11	(72,250)	(1,981,251)
Total comprehensive income/(Loss) for the year		**151,458**	**(1,313,417)**

Statement of Financial Position

Brunel Pension Partnership Limited

For the year ended 30 September 2023

	Note	2023 (£)	2022 (£)
Assets			
Non-current assets			
Tangible assets	12	153,251	133,314
Intangible assets	13	-	-
Long term debtors	14	49,750	151,750
Total		**203,001**	**285,064**
Deferred tax asset	11	312,207	377,951
Current assets			
Debtors	15	1,100,264	1,025,330
Cash at bank and in hand	16	11,525,433	10,809,581
Total		**12,625,697**	**11,834,911**
Total assets		**13,140,905**	**12,497,926**
Liabilities			
Current liabilities			
Creditors: amounts falling due within one year	17	5,779,045	5,207,060
Total		**5,779,045**	**5,207,060**
Non-current liabilities			
Net defined benefit obligations	20	-	102,000
Provisions for other liabilities	21	141,180	119,644
Total		**141,180**	**221,644**
Total liabilities		**5,920,225**	**5,428,704**
Net current assets		6,846,652	6,627,851
Net assets		**7,220,680**	**7,069,222**
Equity			
Capital and reserves			
Called up share capital	22	20	20
Share premium account	23	8,399,980	8,399,980
Pension reimbursement asset reserve	23	-	102,000
Retained earnings	23	(1,179,320)	(1,432,778)
Total equity		**7,220,680**	**7,069,222**

The financial statements were approved by the Brunel Board on 18 January 2024 and signed on its behalf.

Joe Webster
Director and Chief Operating Officer
24 January 2024
Company Registration Number: 10429110

Statement of Cashflows

Brunel Pension Partnership Limited
For the year ended 30 September 2023

	Note	2023 (£)	2022 (£)
Cash flows from operating activities			
Operating loss		(163,331)	(1,097,827)
Adjustments for:			
Depreciation of tangible assets	12	75,438	130,550
Amortisation of intangible assets	13	-	-
Loss on disposal of tangible assets	12	317	-
Interest paid		(15,350)	(1,310)
Interest received and similar interest		208,883	51,288
Increase in trade and other debtors	15	(74,934)	(114,890)
Increase in trade creditors and restoration obligation liability	17 & 21	593,521	73,918
Post-employment benefits less payments		187,000	1,231,000
Cash from operations		**811,544**	**272,729**
Income taxes paid		-	-
Net cash generated from operating activities		**811,544**	**272,729**
Cash flows from investing activities			
Purchase of tangible assets	12	(95,692)	(93,837)
Net cash used in investing activities		**(95,692)**	**(93,837)**
Net increase in cash and cash equivalents		**715,852**	**178,892**
Cash and cash equivalents at the beginning of the year	16	10,809,581	10,630,689
Cash and cash equivalents at the end of the year	16	**11,525,433**	**10,809,581**

The company has no debt.

Statement of Changes in Equity

Brunel Pension Partnership Limited
For the year ended 30 September 2023

	Share Capital (£)	Share Premium (£)	Pension reimbursement asset reserve (£)	Retained earnings (£)	Total (£)
Balance at 30 September 2021	**20**	**8,399,980**	**7,676,000**	**(7,693,361)**	**8,382,639**
(loss) for the year	-	-	-	(793,166)	**(793,166)**
Actuarial gains and losses	-	-	-	9,035,000	**9,035,000**
Tax on items of other comprehensive income	-	-	-	(1,981,251)	**(1,981,251)**
Revaluation of pension reimbursement asset	-	-	(7,574,000)	-	**(7,574,000)**
Total Other comprehensive income	-	-	**(7,574,000)**	**6,260,583**	**(1,313,417)**
Balance at 30 September 2022	**20**	**8,399,980**	**102,000**	**(1,432,778)**	**7,069,222**
Profit for the year	-	-	-	36,708	**36,708**
Actuarial gains and losses	-	-	-	289,000	**289,000**
Tax on items of other comprehensive income	-	-	-	(72,250)	**(72,250)**
Revaluation of pension reimbursement asset	-	-	(102,000)	-	**(102,000)**
Total Other comprehensive income	-	-	**(102,000)**	**253,458**	**151,458**
Balance at 30 September 2023	**20**	**8,399,980**	**-**	**(1,179,320)**	**7,220,680**

Notes to the Financial Statements

Brunel Pension Partnership Limited
For the year ended 30 September 2023

1. Company Information

The Company is a private limited company and is registered in England and Wales.
Registered Number: 10429110
Registered office: 101 Victoria Street, Bristol, BS1 6PU
Authorised and regulated by the Financial Conduct Authority No. 790168

2. Statement of Compliance

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain defined benefit scheme financial instruments as specified in the accounting policies below. Financial statements are presented in Sterling (£).

3. Going Concern

The Company continues to adopt the going concern basis in preparing its financial statements.

The Company meets its day-to-day working capital requirements through current cash levels and agreed capital funding. The service model launched in April 2018 defined a cost-plus basis which is to be received in advance of delivering the service.

The Company's forecasts and projections, taking account of reasonably possible changes in trading performances, show that the Company should be able to operate within the level of its current cash levels.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least twelve months from the approval of the financial statements. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

4. Principle Accounting Policies

4.1 Tangible Assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets, other than freehold land, over their expected useful lives, using the straight-line method. The rates applicable are:

- Computer hardware 3 years
- Furniture and equipment 5 years

4.2 Intangible Assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over the estimated useful lives, using the straight-line method.

4.3 Impairment of Assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

4.4 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

4.5 Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

4.6 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Company. All other leases are classified as operating leases.

Payments under operating leases are charged to the Statement of Total Comprehensive Income on a straight-line basis over the period of the lease. Lease incentives are credited to the Statement of Total Comprehensive Income to reduce the lease expense on a straight-line basis over the period of the lease.

4.7 Pensions

The Company provides to certain staff a Defined Contribution Pension Scheme provided by Smart Pension. The accounting treatment is to expense the employer's contributions to the scheme in the Total Income Statement.

The Company participates in a defined benefit scheme administered by Wiltshire Council as part of the Local Government Pension Scheme (LGPS). A defined benefit scheme defines the pension benefit that the employee will receive on retirement usually dependent upon several factors including but not limited to age, length of service and remuneration.

The liability recognised in the Statement of Financial Position in respect of the defined benefit scheme is the estimated present value of The Company's share of the defined benefit obligation at the Statement of Financial Position date less the Company's share of the fair value of scheme assets at the Statement of Financial Position date out of which the obligations are to be met.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to estimate the defined benefit obligation.

The fair value of scheme assets is measured in accordance with FRS102 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

The cost of the defined benefit scheme, recognised in the Statement of Comprehensive Income as employee costs, compromises:

a. The increase in net pension benefit liability arising from employee service (including transfers received) during the period; and
b. The cost of scheme introductions, benefit changes, curtailments and settlements

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of the Company's share of scheme assets. This cost is recognised in the Statement of Comprehensive Income within Administrative Expenses.

The actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income.

When a LGPS pension surplus position is reached, this shall only be recognised as a defined benefit plan asset to the extent the Company is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. This will be evaluated in line with the restrictions of an asset ceiling test, on the assumption a Minimum Funding Requirement is generally accepted to exist for the LGPS. The prevailing view is employers have no unconditional right to a refund in the LGPS, so the second test will consider the present value of employer future service costs over an agreed future period, less present value future contributions over similar period that determines the asset ceiling.

Pension Reimbursement Asset

As noted above, the Company provides access to a defined benefit pension scheme through the Wiltshire Pension Fund Local Government Pension Scheme (“LGPS”) (“the Fund”) for certain staff transferred from public sector bodies in the LGPS. The Company participates in the Fund via its Admission Agreement, which provides for three types of contributions or payments:

- regular ongoing (certified by Fund actuary);
- exit payments; and
- actuarial strain/additional contributions.

As with all defined benefit schemes the quantum of these contributions can be volatile since they are dependent on a range of actuarial risks which the Company has no control over (prior to arranging protections). To mitigate this volatility, during the year ending September 2020 the Company entered into a Pension Cost Recharge Agreement (“PRA”). The implementation of the PRA provides certainty to the Company that its shareholders will reimburse any LGPS pension related cashflows, including reimbursement of all regular ongoing contributions, all additional contributions (e.g., to fund discretionary early retirements or other discretionary benefits) and all exit payments.

The Company will be reimbursed either through its Annual Operating Charge or where additional one-off pension costs or an exit payment are requested by the Wiltshire Pension Fund, an Additional Employer Contributions invoice will be raised.

The directors are of the opinion that this comprehensive pension risk removal allows the PRA to act as a reimbursement asset for the purpose of FRS 102 reporting, and recognition of an asset is consistent with other companies in the sector which have implemented similar arrangements.

FRS 102 requires such assets to be treated in the same way as scheme assets, and so measured at fair value. The directors have considered what an appropriate measurement of fair value would be, and in particular the guidance in FRS 102 and have used a model which discounts future contribution streams back to 30 September 2023 which would be necessary to pay off the funding deficit. As a result of fair valuing these contribution streams it is not always expected that the asset will exactly offset the liability because accounting standards require the use of different discount rates for valuing the pension recovery asset and the pension liability. Any differences will be recognised in other comprehensive income.

The pension reimbursement asset is recognised as a long-term debtor in the Statement of Financial Position and the corresponding credit recognised as a Pension reimbursement asset reserve in equity.

The pension reimbursement asset reserve represents a non-cash commitment from the shareholders and forms part of shareholders reserves under the Pension Reimbursement Asset Reserve.

The PRA value is aligned to the movement in the net pension liability and is available for immediate funding of any risks or losses arising therein. Adverse or favourable movements in the actuarial pension liabilities are broadly offset by the PRA, the fair value of which will change from year to year for this specific reason. The movement in actuarial gains and losses is a non-cash movement recognised through OCI together with any subsequent change in the fair value of the PRA. Any change in the fair value of the PRA is reflected in the Pension Reimbursement Asset Reserve.

4.8 Provisions for Liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

4.9 Taxation

Current tax is recognised as the amount of income tax payable in respect of the taxable profit for the current or past reporting years using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences arising in the income statement at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

The tax expense/(income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense/(income).

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

4.10 Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover comprises forecast cost plus a mark-up of 3%. Turnover is adjusted at the end of the budget year (March) for any over/underspends.

4.11 Equity

Equity instruments issued by the company are recorded at a level representing the value of the proceeds received. Share capital represents the nominal value of shares that have been issued.

5. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Company financial statements requires management to make judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Deferred taxation

The financial statements include estimates with regards to timing of future cashflows with respect to deferred taxation as disclosed in notes 4.9 and 11.

Pension Valuation

Estimations of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. An actuary is engaged to provide the Company with expert advice about the assumptions to be applied. However, because these judgements cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

This liability is covered by the Pension Recharge Agreement. Notes 4.7 and 20 detail this further.

Restoration Provision

The financial statements include an estimate in relation to our site restoration obligations. Details relating to this are detailed in note 21.

6. Other Income

In the prior year, the Company included a provision in the accounts in respect of a claim from one of its Clients regarding a trading incident during the year which remained on-going at the end of the prior reporting period. The claim relates to £309k. The insurance provider accepted the claim and Brunel was liable for the £50k retention, which was paid in the current reporting year.

7. Cost of Sales

	2023 (£)	2022 (£)
Research Fees	9,000	29,891
Custodian & Administrator Services	713,290	810,441
Fund investment advice	1,346,307	1,463,401
Data Views, Sources & Benchmarks	556,227	615,225
Tax Advisory Fees	178,700	260,000
Legal Fees	96,348	140,500
Staff Emoluments	2,802,338	2,540,121
Costs associated with Investment activities*	616,586	359,868
Total	**6,318,796**	**6,219,447**

*Costs associated to Investment team activities has been analysed further this year, the prior year has been adjusted in line. Costs associated with Investment team activities include apportionment of overheads, including an apportionment of Operating Lease rentals of £40k (2022: £28k).

8. Administrative Expenses

	2023 (£)	2022 (£)
Statutory Audit Fees	40,561	41,573
Fee for non-audit services: Client Asset Assurance	5,000	5,000
Legal Fees	9,485	19,001
Consulting & Advisory	818,147	841,265
Operating Lease Rentals	72,335	53,309
Directors Emoluments	954,648	874,098
Staff Emoluments*	2,793,995	3,449,691
Staff Costs	43,912	43,789
Staff Development	86,882	84,586
Travel Costs	48,443	31,038
Office Running Costs	109,203	88,507
IT Development	217,054	223,591
Recruitment Costs	139,290	112,136
Insurance	315,305	389,803
Insurance Contingent Liability	-	309,000
Depreciation	55,280	114,441
Other Expenses	176,027	218,454
Total	**5,885,567**	**6,899,282**

* the Company recognises a provision of £121,079 (2022: £87,292) for annual leave accrued by employees as a result of services rendered in the current year, and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the period of absence.

Staff Emoluments figures have been restated to include the full pension current service cost for both 2023 and 2022. This was previously included under Other Expenses.

Costs associated to Investment team activities have been classified as Cost of Sales in the Statement of Comprehensive Income.

9. Directors and Employees

Staff costs during the year were as follows:

	2023 (£)	2022 (£)
Wages and salaries	4,839,987	4,261,518
Social security costs	619,043	554,794
Other pension costs	904,951	716,598
Total	**6,363,981**	**5,532,910**

As noted previously the Company operates a defined benefit pension scheme for the benefit of certain employees and executive directors. The assets of the scheme are administered by the Wiltshire Pension Fund. Employer contributions are recognised as an expense during the year, these amount to £835,732 (2022: £716,598). Not included in these tables are FRS102 pension cost adjustments made at the 2023 year-end that bring the total expense to £1,022,733 (2022: £1,947,598).

The Company also provides a Defined Contribution Scheme provided by Smart Pension; the accounting treatment is to expense the employer's contributions to the scheme which amounted to £69,218 for the year (2022: £13,418).

The average number of employees, including Directors, during the year was 61 full time equivalent (2022: 58).

Remuneration in respect of key personnel was as follows:

	2023 (£)	2022 (£)
Emoluments	1,875,625	1,667,967
Social security costs	238,761	218,469
Pension contributions	353,917	281,465
Total	**2,468,303**	**2,167,901**

Remuneration in respect of Directors was as follows:

	2023 (£)	2022 (£)
Emoluments	769,496	715,000
Social security costs	94,776	92,770
Pension contributions	90,376	66,328
Total	**954,648**	**874,098**

The amounts set out above include remuneration in respect of the highest paid Director as follows:

	2023 (£)	2022 (£)
Emoluments	202,042	194,000
Social security costs	26,331	26,739
Pension contributions	27,880	13,418
Total	**256,253**	**234,157**

10. Auditors Remuneration

Fees payable to the Company's auditors for the audit of the Company's annual financial statements totalled £40,000 (2022: £40,000) ex VAT. Fees payable to the Company's auditors in respect of other audit related services were £5,000 (2022: £5,000) ex VAT. These services relate to the provision of a Client assets report to the Financial Conduct Authority in 2023 and 2022.

11. Taxation

	2023 (£)	2022 (£)
Current Tax:	-	-
Deferred tax:		
Origination and reversal of timing differences	3,535	(193,559)
Adjustment in respect of previous years	(10,522)	-
Effect of changes in tax rates	481	(61,124)
Total deferred tax	**(6,506)**	**(254,683)**
Total tax per income statement	(6,506)	(254,683)
Other comprehensive income items:		
Deferred tax current year charge	72,250	1,981,250
	72,250	**1,981,250**

The tax assessed for the year is lower than the standard rate of corporation tax in the United Kingdom at 22.01% (2022: 19%). The differences are explained as follows:

	2023 (£)	2022 (£)
Profit/(Loss) for the year before tax:	30,202	(1,047,849)
Tax on profit/(loss) at standard UK tax rate of 22.01% (2022: 19%):	6,647	(199,091)
Effects of:		
Expenses not deductible	3,606	5,532
Income not taxable	(6,718)	-
Adjustments from previous years	(10,522)	-
Tax rate changes	481	(61,124)
Tax credit for the year	(6,506)	(254,683)
Tax on results on ordinary activities:	**(6,506)**	**(254,683)**

Deferred tax assets:		
Provision at start of year	(377,951)	(2,104,519)
Adjustment in respect of prior years	(10,522)	-
Deferred tax charge/(credit) to income statement for the year	4,016	(254,683)
Deferred tax charge in OCI for the year	72,250	1,981,251
Provision at end of year	**(312,207)**	**(377,951)**

	Booked 30 Sep 2023 (£)	Booked 30 Sep 2022(£)
Fixed asset timing differences	(65,276)	(115,109)
Fixed asset timing differences – trading	(38,004)	(50,426)
Losses	(208,927)	(212,416)
	(312,207)	**(377,951)**

Deferred tax assets:		
Recoverable within 12 months	(2,709)	-
Recoverable after 12 months	(309,498)	(377,951)
	(312,207)	**(377,951)**

Deferred tax liabilities:		
Payable after 12 months	-	-
	-	-

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefits through future taxable profits are probable. The Directors have reviewed the future profitability of the company and expect the full amounts to be recoverable.

The tax rate increased from 19% to 25% on 01 April 2023 (part way through the reporting year). This has been reflected in the tax note and the deferred income tax asset reflects the new tax rate.

Tax on items of other comprehensive income this year only relate to the actuarial gains and losses.

12. Tangible Fixed Assets

	Furniture and Equipment (£)	Computer Hardware (£)	Total (£)
Cost			
At 01 October 2022	442,004	236,394	678,398
Additions*	47,224	48,468	95,692
Disposals	-	(20,150)	(20,150)
At 30 September 2023	**489,228**	**264,712**	**753,940**
Depreciation			
At 01 October 2022	400,618	144,466	545,084
Provided in the year	18,586	56,852	75,438
Disposals	-	(19,833)	(19,833)
At 30 September 2023	**419,204**	**181,485**	**600,689**
Net book value at 30 September 2023	**70,024**	**83,227**	**153,251**
Net book value at 30 September 2022	**41,386**	**91,928**	**133,314**

*There is an increase of £21,536 for 2023 (2022: £19,940) on account of estimated cost of site restoration obligations included in Furniture and Equipment.

13. Intangible Fixed Assets

	Internal Control Environment (£)	Total (£)
Cost		
At 01 October 2022	283,744	283,744
Additions	-	-
Disposals	-	-
At 30 September 2023	**283,744**	**283,744**
Amortisation		
At 01 October 2022	283,744	283,744
Provided in the year	-	-
Disposals	-	-
At 30 September 2023	**283,744**	**283,744**
Net book value at 30 September 2023	-	-
Net book value at 30 September 2022	-	-

The Internal Control Environment (ICE) asset stated above is a bespoke Customer Relationship Management environment built on the Salesforce platform, developed by Alpha Financial Markets Consulting UK Limited (Alpha).

The tools on ICE are essential for the delivery of Brunel's core services and allows the efficient management of clients and dealing services. It also assists in mitigating risks in the provision of services, as required for an FCA-authorised company.

14. Long Term Debtors

	2023 (£)	2022 (£)
Lease Deposit*	49,750	49,750
Pension Reimbursement Asset **	-	102,000
Total	**49,750**	**151,750**

*The deposit is not expected to mature until the end of the lease on 31/07/2027.

**As detailed within a 'Pension Cost Recharge Agreement', dated 24 September 2020 between the shareholders and the Company, the shareholders have guaranteed that any pension costs arising in respect of the Company's participation in the LGPS defined benefit pension scheme will be underwritten by the shareholders.

For details of the reimbursement mechanism, see note 4.7.

15. Debtors

	2023 (£)	2022 (£)
Due within one year		
Accrued Income	86,193	-
Prepayments	572,328	551,381
Trade Debtors	432,159	212,950
Other Debtors	9,584	260,999
Total	**1,100,264**	**1,025,330**

16. Cash at bank and cash equivalents

	2023 (£)	2022 (£)
Cash at bank	1,525,433	10,809,581
Cash Equivalents*	10,000,000	-
Total	**11,525,433**	**10,809,581**

*Cash Equivalents are made up of Fixed Term Deposits and Money Market Funds.

17. Creditors: amounts falling due within one year

	2023 (£)	2022 (£)
Payroll Costs	128,400	89,834
VAT	447,017	321,354
Social Security Costs	183,765	142,357
Accruals	902,232	758,577
Deferred Revenue	3,952,132	3,125,320
Trade Creditors	163,333	459,945
Other Creditors	2,166	309,673
Total	**5,779,045**	**5,207,060**

18. Operating Lease Commitments

The Company has total future commitments in respect of non-cancellable operating lease on office space of £438,115 (2022: £522,407). The Company is liable for rent on the building until the lease end date of 31/07/2027.

The Company has future commitments of £53,925 (2022: nil) in relation to Salary Sacrifice EV Schemes.

	2023 (£)
In the next year (ending 30/09/2024)	142,240
Later than one year and not later than five years (01/10/2024-30/09/2028)	349,800
Total	**492,040**

	2022 (£)
In the next year (ending 30/09/2023)	114,291
Later than one year and not later than five years (01/10/2023-30/09/2027)	438,116
Total	**552,407**

19. Transactions with related parties

The Company's Shareholders paid £12,449,229 (2022: £11,610,506) for Core Services, of which £2,807,543 (2022: £2,944,000) was income received in advance relating to the October – December 2023 Quarter. £117,738, (2022: £144,524) was received in relation to elective services delivered to eight clients in 2023 and five clients in 2022, of this £56,125 was income received in advance relating to October 2023 – June 2025.

Payments of £41,493 (2022: £26,889) were made to Wiltshire Council for Payroll, HR and actuarial services in the financial year.

Transactions with related parties that the Directors of Brunel are associated with are as follows:

- Payment of Directors salaries
- Payment of pension contributions to the Wiltshire Pension Fund for Executive Directors

20. Pension commitments

As noted earlier, the Company provides to certain staff a Defined Contribution Pension Scheme provided by Smart Pension, the accounting treatment is to expense the employer's contributions to the scheme, with no further commitments to the Company other than in year contributions.

Also as noted earlier, the Company participates in the Local Government Pension Scheme (LGPS) administered by the Wiltshire Pension Fund, on behalf of Wiltshire Council. The LGPS is a tax approved, defined benefit occupational pension scheme set up under the Superannuation Act 1972. The benefits under the scheme are based on the length of membership and the average salary. Each member contributes a proportion of their salary, within a 5.5% to 12.5% range depending on their rate of pay. The Company, as the employing body, also contributes into the scheme at 22.7% (2022: 18.5%) of the employee's salary for the 3 years commencing on 1 April 2023. However, this is only a gross contributions exposure since there is nil net pension contributions exposure due to the Pension Cost Recharge Agreement described below.

LGPS is accounted for as a defined benefit scheme. The liabilities of the LGPS attributable to the Company are included in the statement of Financial Position on an actuarial basis using the projected unit method – i.e. an assessment of future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, etc. and projections of earnings for current employees.

The Company's situation is unusual for an FCA registered company in that the 10 shareholders (9 Local Authorities and the Environment Agency) which own the Company are also its only clients (the Local Authority acting as Administering Authorities for the LGPS along with the Environment Agency Pension Fund). The Company is funded by its shareholders on an equal 1/10th shareholding with the Annual Operating Charge to clients in line with the shareholder approved Shareholders Agreement, Services Agreement and Pricing Policy. As government institutions, the shareholders and clients have strong employer covenants and the risk of default or inability to pay pension obligations is considered extremely remote.

The client base is restricted to these 10 Administering Authorities and can only by amended with the approval of all its shareholders as outlined in the Shareholders Agreement.

The Company's shareholders, along with Brunel and the Wiltshire Pension Fund (WPF) are signatories to the Admission Agreement to allow access to the LGPS. This Admission Agreement confirms shareholders provide a guarantee to WPF for any net pension liabilities arising in respect of the Company. This liability is shared equally.

A Pension Cost Recharge Agreement (PRA) was signed on 24 September 2020. This provides assurance to the Company that its shareholders will reimburse any pension defined benefit obligation and enables the Company to create a Pension Fund reimbursement asset see note 4.7.

All pension costs of the Company are funded, forming part of the annual Business Planning and budget setting cycle approved by shareholders. The Company sets its Annual Operating Charge on its forecast cost-plus model. In line with the Pricing Policy should the Company be liable for deficit recovery contributions (notified by the Fund for a three-yearly cycle) these would be included in the Annual Operating Charge. This approach ensures that all revenue costs including the pensions obligations are funded at no risk to the Company.

Each year the Company commissions Hymans Robertson to provide a FRS102 pension accounting report to determine the position as at the Company's financial year end. This shows the movement in the pension liability over the previous 12 months and the cost of providing this pension on an accounting basis. The net pension liability is reported in the Statement of Financial Position and the costs shown in the profit and loss statement.

The scheme typically exposes the Company to actuarial risks such as investment risk, interest risk, inflation risk, longevity risk and salary risk as follows:

- **Investment risk** – the present value of the defined benefit schemes' liability is calculated using a discount rate determined by reference to high quality corporate bond market yields. If the return on scheme assets is below this rate, a deficit will be created;
- **Interest risk** – a decrease in the bond interest rate will increase the scheme liability but this will be partially offset by an increase in the return of the scheme's debt instruments;
- **Inflation risk** – A margin to compensate investors against future uncertainty relating to inflation;
- **Longevity risk** – the present value of the defined benefit scheme liability is calculated by reference to the best estimate of the mortality of the scheme

participants both during and after their employment. An increase in the life expectancy of the scheme participants will increase the scheme 's liability; and

- **Salary risk** – the present value of the defined benefit scheme liability is calculated by reference to the future salaries of scheme participants, as such, an increase in the salary of the scheme participants will increase the scheme's liability.

This is a funded scheme, meaning that the Company and employees pay contributions into a fund, calculated at a level estimated to balance the pensions liabilities with investment assets.

At the last triennial valuation 31 March 2022, the funding level was 94% with a deficit of £540,000. The employer contribution rate changed from 18.5% of payroll to 22.7% of payroll from 1 April 2023.

Pension costs have been charged to the Statement of Total Comprehensive Income on the basis required by FRS 102.

Costs for 2023 described below £1,031,000 (2022: £2,032,000) are recognised in the 2023 Financial Statements. This pension asset surplus has been reduced by the Asset Ceiling Adjustment which reduced the Net Asset to £0 in 2023. This has been determined by calculating the present value of future service costs over the future working lifetime annuity, less the present value of the projected employer cash contributions. As this equates to a negative outcome, the Company determines the Asset Ceiling Adjustment as £916,000 and doesn't realise any of the current surplus as an asset.

Post-employment benefits summary

	2023 (£)	2022 (£)
Net Assets	10,230,000	8,872,000
Net Liabilities	(9,314,000)	(8,974,000)
Asset Ceiling Adjustment	(916,000)	-
Net Asset/(Liability)	**-**	**(102,000)**

Reconciliation of opening and closing balances of the defined benefit obligation

	2023 (£)	2022 (£)
Defined benefit obligation at start of year	8,974,000	16,345,000
Current service cost	1,021,000	1,855,000
Interest expense	487,000	365,000
Contributions by scheme participants	400,000	366,000
Benefits Paid	(80,000)	(147,000)
Remeasurements:		
Changes in financial assumptions	(1,713,000)	(9,857,000)
Other Experience and changes in demographic assumptions	225,000	47,000
Defined benefit obligation at end of year	**9,314,000**	**8,974,000**

Reconciliation of opening and closing balances of the fair value of scheme assets

	2023 (£)	2022 (£)
Fair value of scheme assets at start of year	8,872,000	8,439,000
Interest income	477,000	188,000
Return on scheme assets in excess of interest income	(283,000)	(775,000)
Contributions from the employer	844,000	801,000
Contributions from employees	400,000	366,000
Benefits Paid	(80,000)	(147,000)
Fair value of scheme assets at end of year	**10,230,000**	**8,872,000**

The actual return on scheme assets over the year ending 30 September 2023 was 2.1% (2022: -6.3%)

Defined benefit costs recognised in Statement of Comprehensive Income

	2023 (£)	2022 (£)
Current service cost	1,021,000	1,855,000
Net interest cost	10,000	177,000
Defined benefit costs recognised in statement of total comprehensive income	**1,031,000**	**2,032,000**

Defined benefit costs recognised in Other Comprehensive Income

	2023 (£)	2022 (£)
Return on scheme assets (excluding amounts included in net interest cost)	(283,000)	(775,000)
Experience gains and losses on the scheme liabilities	(225,000)	(47,000)
Effects of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities	1,713,000	9,857,000
Movement in asset ceiling	(916,000)	-
Sub-total	289,000	9,035,000
Remeasurement of pension reimbursement asset	(102,000)	(7,574,000)
Total amount recognised in other comprehensive income	**187,000**	**1,461,000**

The gain recognised in the statement of Other Comprehensive Income for 2023 is £187,000 (2022: £1,461,000).

Assets

Assets in the Wiltshire Pension Fund are valued at a fair value, principally market value for investments and consists of the following categories, by proportion:

	2023 (%)	2022 (%)
Equities	55%	53%
Bonds	29%	31%
Property	14%	16%
Cash	2%	0%
Total assets	**100%**	**100%**

None of the fair values of the assets shown above include any of the Company's own financial instruments or any property occupied by, or other assets used by the Company.

Reconciliation of opening and closing balances of the pension cost reimbursement asset

	2023 (£)	2022 (£)
Reimbursement asset at start of year	102,000	7,676,000
Net Interest on reimbursement asset	-	-
Increase in reimbursement asset due to current service	-	-
Increase/(decrease) in reimbursement asset due to fair value movements during the year	(102,000)	(7,574,000)
Reimbursement asset at end of year	**-**	**102,000**

Assumptions

	30 Sep 2023 %pa	30 Sep 2022 %pa
Discount rate	5.45%	5.05%
Salary increase rate	4.30%	3.70%
Pension Increase Rate (CPI)	3.00%	3.30%

Average life expectancies	Males	Females
Current Pensioners	21.4 years	25.7 years
Future Pensioners*	24.1 years	26.0 years

*Figures assume members aged 45 as at the last formal valuation date.

Sensitivity analysis – Defined Benefit Obligation

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions at 30 September 2023:	Approximate increase to Defined Benefit Obligation (%)	Approximate Monetary amount (£)
0.1% decrease in Real Discount Rate	3%	252,000
1 year increase in member life expectancy	4%	373,000
0.1% increase in the Salary Increase Rate	0%	16,000
0.1% increase in the Pension Increase Rate (CPI)	3%	241,000

Sensitivity analysis - Reimbursement asset

The sensitivities regarding the principal assumptions used to measure the reimbursement asset are set out below:

Change in assumptions at 30 September 2023:	Approximate % increase to Reimbursement Asset	Approximate Monetary amount (£)
0.5% decrease in Real Discount Rate	- %	344,000

This assumes the change in real discount rate moves Brunel from its net defined benefit pension surplus of £916,000 to a deficit position.

21. Provision for other liabilities

The Company has an obligation for the restoration of its office space on termination of its lease. A provision of £141,180 for dilapidations has been recognised which represents the management's best estimate of the site restoration costs at the end of the lease term as outlined in note 18. The timing of this cost is uncertain as it would only become payable on vacating the current Brunel offices.

	Site Restoration Obligations (£)
As at 1 October 2022	119,644
Provision made in the year	21,536
As at 30 September 2023	**141,180**

22. Called up Share Capital

	2023	2022
Authorised, allotted and fully paid:		
20 ordinary shares of £1 each	20	20
	20	**20**

23. Reserves

Called-up share capital represents the nominal value of shares that have been issued.

Share premium account includes any premiums received on issue of share capital.

The Pension reimbursement asset reserve represents an undertaking from the shareholders to reimburse the Company for any LGPS pension related cash flow under the provisions of the Pension Cost Reimbursement Agreement. The pension reimbursement asset reserve is not available for distribution. Its use is restricted to the purposes defined in the Pension Cost Reimbursement Agreement.

Retained earnings includes all current and prior year retained profit or losses.