Brunel Pension Partnership

Brunel Pension Partnership Limited
Annual Report & Financial Statements

For the year ended 30 September 2024

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

Company Information

Directors

Sally Bridgeland
Deputy Chair (01/05 – 30/09/2024)
Chair (from 01/10/2024)

Laura Chappell
Chief Executive Officer

Miles Geldard
Non-Executive Director

Denise Le Gal
Chair (until 30/09/2024)

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

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

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

Cover photo: Devon, by George-Hiles on unsplash.com

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Chair's Foreword

What an exciting year to step into the Chair role! I am delighted to introduce the 2024 Annual Report & Financial Statements and to mark a new peak in Brunel's extraordinary journey, as we look to the future.

Why is this moment a new peak for our partnership?

The election outcome in 2024 heralded a new phase in the story of the Local Government Pension Scheme (LGPS), and of pooling. The Chancellor outlined her vision for the LGPS in her Mansion House speech in November 2024, attended by our CIO, and made clear the government's overriding commitment to complete pooling and to enable the pools to maximise their impact on the UK economy.

The Chancellor appointed a new Pensions Minister who has engaged extensively with the pools and our partner funds. We have responded to a Call for Evidence and Consultation. We are supportive of the general direction of travel set by the government. We are ready both to lead the way and to make the most of new opportunities to forge better futures – in partnership.

Pooled success

I have been impressed by the way that the partnership works and the distance we have travelled together, and now evolution will be essential to overcome the obstacles ahead. Brunel has thrived because it has been adaptable and pioneering in how it works and accepted the inevitable compromises of a partnership to make the most of the benefits of pooling: shared costs and economies; greater Responsible Investment (RI) impact and influence; and a more expansive investment approach generally to benefit partner funds and their members.

Our ability to work together and innovate has also enabled our partnership to achieve major pooling successes, not least the transition of client assets. Our pool is now approaching 90% transitioned, placing us in the vanguard of pooling and strongly aligned for the latest pooling timetable.

Brunel can also point to an exceptionally broad range of portfolios and asset classes – from Paris-aligned passive equities through to local affordable housing and transition infrastructure. Over the reporting year, we evolved our business strategy, which now means we are very well placed to track towards the government's latest destination for pooling.

Culture & Governance

Brunel has clearly built its progress on shared values and ambitions, and on a collaborative culture. All of these strengths enable and empower us to target our core purpose. While each of our partner funds has distinctive characteristics and preferences, my initial conversations with them have shown their clear commitment to our pool and to travelling the future pooling journey together.

Keeping it local

As a partnership, we already have a model and a good track record in local, place-based investing around the UK and, increasingly, within our geographical region. We can point to affordable housing in Cornwall, solar farms in Somerset, and our partner fund's renewables investment via 'Wessex Gardens'. We are excited about the deepening of the relationship with the administering authorities, combined authorities and mayoral authorities to achieve real-world impact in the places where our members live. This is where 'investing for a world worth living in' really comes alive for our partnership.

Cribbs Triangle, North Bristol

"If you want to travel fast, go alone:
If you want to travel far, go together."

Impact now – and into the future

We are very proud of the impact our investments continue to have, and of the new investments we have made over the year. Around the UK, Brunel is invested in productive assets that are delivering the green transition, delivering social impact, and driving improvements in biodiversity – always within the broader remit of meeting our fiduciary duties.

There is enormous potential to do more and, through our role in establishing the National Wealth Fund, we understand the critical role which the government also has to play, to pave the way for crowding in private capital to hard-to-access transition sectors. We will continue to work with policymakers and the investment industry to ensure pooling delivers the intended benefits for pension fund members – and for the world they retire into.

As I read regularly on a railway bridge when I cycle home: "If you want to travel fast, go alone: If you want to travel far, go together". Brunel is ready to travel far, and I look forward to the journey ahead.

Sally Bridgeland
Chair

Strategic Report and Business Review

Strategy & Purpose

A Local Government Pension Scheme (LGPS) pool is a collaboration between a number of LGPS pension funds, where their assets and investments are managed – "pooled" – on a collective basis by an operator such as Brunel. By pooling the assets, our partner funds can achieve cost savings and better net performance, as well as tapping into a wealth of experience provided by Brunel staff to broaden the types of investments that they can access.

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

Our aim is to forge better futures by investing for a world worth living in. We do this by making long-term, sustainable investments on behalf of our partner funds. By using our collective expertise, we seek to set an example for the industry, and to use our voice to argue for broader change.

Brunel's core priority is to manage our fiduciary duties to our partner funds, a duty that comes with a wide range of outcomes, including **investment performance**, **Value for Money**, and **Responsible Investment (RI)**.

Partnership has been key to success to date and that will surely be how we step into 2025. The government has been engaging through a series of consultations on how pooling is expected to evolve. We have been coming together as a partnership across the year to establish how we will develop to meet these new challenges. We find ourselves well placed to respond and will look forward to an important year in 2025.

In 2024, we were delighted to see the Financial Markets Legal Committee include sustainability and climate change in its definition of fiduciary duty, as this fits with our approach as a partnership. In terms of retirement outcomes, we aim to help our partner funds provide not only for their members' retirement, but for the world they will retire into. Our approach is made possible by values shared across our partnership, and we work hard to ensure our internal culture matches our external approach.

Implementing our policies internally is especially important in the area of remuneration, not least because we campaign on fair pay. In the previous reporting year, we successfully implemented our new People Strategy. In the year since then, we have been able to make good use of our Balanced Scorecard, which implements our Value for Money Framework.

Brunel remains a business driven by outcomes for our partner funds, 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.

Glastonbury Tor, Somerset. Photo by Nilas Weiss on Unsplash.com

Value for money

We are delighted to see continued success across our cost savings and Value for Money goals. It was a landmark financial year on that front, since **in 2023/24 Brunel continued to surpass the 2025 cost savings ambitions set out at inception.**

One of the key reasons for pooling was to achieve **cost savings** for LGPS clients. Over the reporting year, Brunel made £46m in cost savings annually versus pre-pooling, significantly ahead of what the business case had anticipated for that financial year. Brunel has already broken even – a target initially set for 2025 – saving around four-and-a-half times the costs we incur via the reduction in management fees we negotiate. Compared to both current market rates and against the full investment cost to partners, Brunel saved 22 basis points through 2023/24 – equivalent to £64 million.

As Brunel has continued to mature, the pre-pooling position has become less relevant to our partners. Brunel has successfully implemented its **Value for Money (VFM) Scorecard**, which focuses on the long-term sustainability of the business and ensures the requirements of key stakeholders are being met. Instead of assessing performance against history, the VFM Scorecard will continue to drive our future performance by measuring financials, customer service, internal processes, and learning & growth to evaluate overall performance and to move away from a pure cost-savings focus.

Review of 2023/24

We witnessed significant changes over the year, as we appointed a new Chair of our Client Group and a new Chair of Brunel. We are enormously grateful to Sean Collins for his significant work delivering consensus on Client Group from Brunel's beginnings through to his departure, by which point our clients were 86% transitioned to the pool. We are very pleased that Mark Gayler was willing to take on this crucial role.

Our profile remained strong within the LGPS world and through the industry at large, thanks to our leadership across our top three RI priorities: climate change, biodiversity & nature; and human rights & social issues.

We are also enormously grateful to Denise Le Gal, whose vision and strong interest in people has shaped our culture from our founding. In her role as Chair, Denise took us from a business plan on paper to a fully-formed responsible asset manager exceeding our cost savings targets, whilst investing over £35bn. Her strong support for Responsible Investment and her passion for the partnership we formed at Brunel has allowed the company to thrive over the past eight years. Many at Brunel will miss her friendship and playful sense of humour. We wish her well for the future and know she will carry on realising Brunel's vision of 'forging better futures' in the pensions world.

Our new Chair Sally Bridgeland has wide-ranging experience across investment markets, sustainability and the public sector. All of these make her an excellent fit for the role, and also mean she brings new perspectives as we continue to grow and evolve.

We continued to influence our peers both in the UK and worldwide through multiple industry collaborations, such as with the ISSB, the IIGCC, UN PRI, and policymakers. This included influence via our seats on the National Wealth Fund Taskforce and the Global Mining Commission's Investor Steering Committee.

Internally, after setting our new Target Operating Model, we also began to evolve our data governance, bringing together our data and IT functions to ensure a centralised approach to data to deliver optimal data governance for the long-term.

Assets Under Management increased to £35.9 billion during the reporting period, equating to 86% of client investments within the partnership pooled structure.

Listed Markets account for £26.6bn in portfolios across equities and bonds and these continue to be managed to meet our clients' investment needs.

Delegates at Brunel Pension Partnership Investor Day 2024, County Hall, Trowbridge, Wiltshire

At reporting year-end, private markets portfolios accounted for £9.6bn of total commitments across all five private markets asset classes including property. A 4th cycle (or vintage) of portfolios has been agreed with partner funds and is actively being deployed. So far, £4.5bn of capital has been deployed with a further £3.0bn committed but as yet undrawn from the three prior investment cycles. The Brunel team manages portfolios across Infrastructure, Private Equity, Private Debt and Secured Income. A further £2bn of property investments is also managed by Brunel on behalf of its clients.

Performance for the year to the end of September 2024 for the listed market portfolios was positive in absolute terms - all active funds except for the Diversifying Returns Fund (DRF) enjoyed double-digit gains. Performance relative to benchmarks was mixed, with the UK, Emerging Markets, and Sterling Corporate Bond portfolios ahead, and the Global High Alpha, Global Small Cap Equities and Global Sustainable Equities portfolios behind. The DRF and Multi Asset Credit funds were ahead of their respective targets.

Global Small Cap underperformed the benchmark by 0.4% as performance was slightly held back by the Value style fund manager. Global High Alpha underperformed the benchmark by 1.8%, due to the impact of being underweight to the "Magnificent Seven", paired with stock selection on Consumer Staples. The Global Sustainable Equity portfolio underperformed the benchmark by 3% – it was also underweight to the "Magnificent Seven" but this time paired with stock selection in relation to Application Software.

Brunel undertook a major procurement exercise to **retender** our front and middle-office data and technology services for our Private Markets programme in line with regulatory requirements. A successful procurement is critical to the delivery of our growing private markets offering. We have recently appointed our preferred supplier, and implementation will follow in 2025.

Brunel concluded our **governance review** with the update of the Shareholders' Agreement. This has ensured the continued oversight and effective management of the company. The outcome was that the partnership came together to ensure that governance fits this stage of the company's development, allowing for effective operational management and decision-making.

We also completed the implementation of Thesis Unit Trust Management (Tutman) as the operator of the **Brunel Authorised Contractual Service** (ACS). Tutman commenced services on 1 October 2023. We chose Tutman for their UK tax-transparent collective investment scheme now known as TM Brunel Pension Partnership ACS. This 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.

Future Developments

The key challenge for Brunel in 2024/25 relates to government plans for the LGPS sector and for pools. In September, we responded to the government's Call for Evidence, and in early 2025 we are due to respond to its Open Consultation: 'Local Government Pension Scheme (England and Wales): Fit for the Future'. Important changes were set out in the Chancellor's Mansion House speech, and we anticipate significant legislative activity in the coming year.

We strongly believe that Brunel is one of the most developed pools – in terms of transitions, governance, operating model, and asset class range. On RI, we are widely recognised as the leader in the sector. We are therefore well-placed to continue to develop and deliver our robust operating model, ensuring compliance with the government's objectives.

While exercising our fiduciary duty to our clients and their members will remain our core priority, the evolution of pooling and of the LGPS will be a major focus for Brunel through 2024/25 and will require close coordination across the partnership to ensure that we continue to evolve, as we have done since inception.

Remuneration Committee

The Remuneration Committee (RemCo) designs Brunel's approach to remuneration so that the company has the leadership sought by our clients and shareholders. Brunel's success over recent years has been based on a strong partnership and expert staff with a strong attachment to our mission. RemCo oversees the design and implementation of our People Strategy, ensuring fairness, value for money and appropriate peer review through market-standard benchmarking. RemCo seeks independent input where appropriate.

Section 172 Statement

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

Employees

Brunel is a values-led organisation, meaning employee buy-in is fundamental to our daily operations and long-term success. We actively seek feedback and input from staff through surveys, ad hoc meetings, and Brunel's Employee Voice Forum, with representatives from across the business.

In Autumn 2024, Brunel was named an 'Investors in People' finalist for 2024. Two particular strengths were highlighted by the judges: managing performance and creating sustainable success.

Laura Chappell and Sally Bridgeland at our Investor Day, County Hall, Trowbridge, Wiltshire

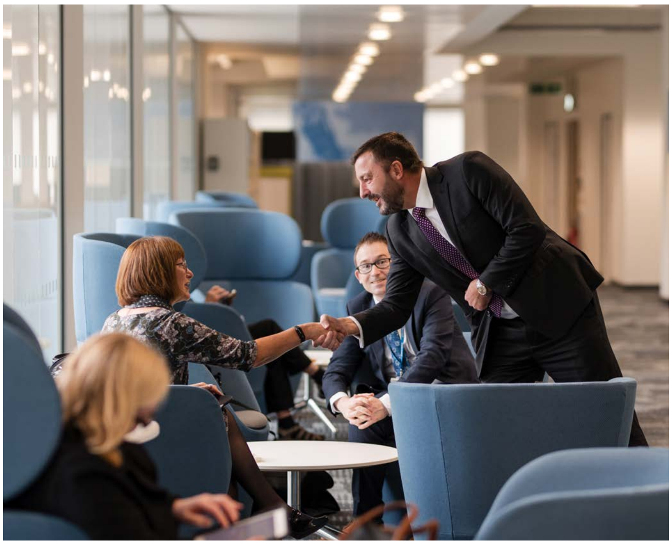
We also encourage engagement outside of Brunel, by promoting volunteer days for our employees to partake in support activities that are meaningful to them – driving our commitment to both our wider community and to our employees.

Information on our CEO and gender pay ratios can be found on page 19.

Clients / Shareholders

The effectiveness of Brunel's investment processes depends on effective partnering with our client funds' pension committees. In 2024, members of the investment and executive teams highlighted that commitment by attending 18 pension committees, as well as providing a number of training days, including on natural capital.

In September, near the end of the reporting year, Brunel hosted its annual **Investor Day** at the Trowbridge offices of Wiltshire Pension Fund. (See images: right, below and 2024-25 Review). Clients and shareholders heard about portfolios, stewardship and engagement, private equity, natural capital and more, reflecting our partnership-based approach to investment.



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 partner funds and both Scheme Member Representatives.

Responsible Investment's high prioritisation right across the partnership was reflected in both the development and the depth of RI communications. We published our annual RI & Stewardship Outcomes Report, as well as a summary version. Following on from our new Climate Change Policy, published in 2023, during the reporting year, we also published a Task Force on Climate-Related Financial Disclosures (TCFD) Climate Progress Report, as well as our Climate-Related Product Report. All these reports can be accessed on our website.

We remained closely engaged with shareholders through the reporting year, hosting four Shareholder Forums, while the Non-Executive Directors held eight 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, Climate Action 100+ and more. We continued to engage with companies, sometimes directly and more often through EOS Federated Hermes. Furthermore, we engaged policymakers through letters and advocated policy change both through media and specific events designed to raise the profile of specific engagement topics pertinent to our partners.

Mural in Bedminster, Bristol. Photo by Nick Fewings on Unsplash

Wider community

Our impacts on the wider community are partly covered in **Walking the Talk** below. One example is our support for the Catalyst Education Programme. Brunel helped to launch the programme outside London for the first time, so that it could help equip economically disadvantaged children in our area with the aspiration, belief and tools to develop a career in the asset management industry.

Ultimately, everything comes back to fulfilling our core fiduciary duty for our clients, their members, and the world their members will retire into. You can find more on recent developments in our 2024-25 Review on the website, but the financial year saw significant progress and maturing, as Brunel continued to build its impact and look to the future.

Walking the Talk

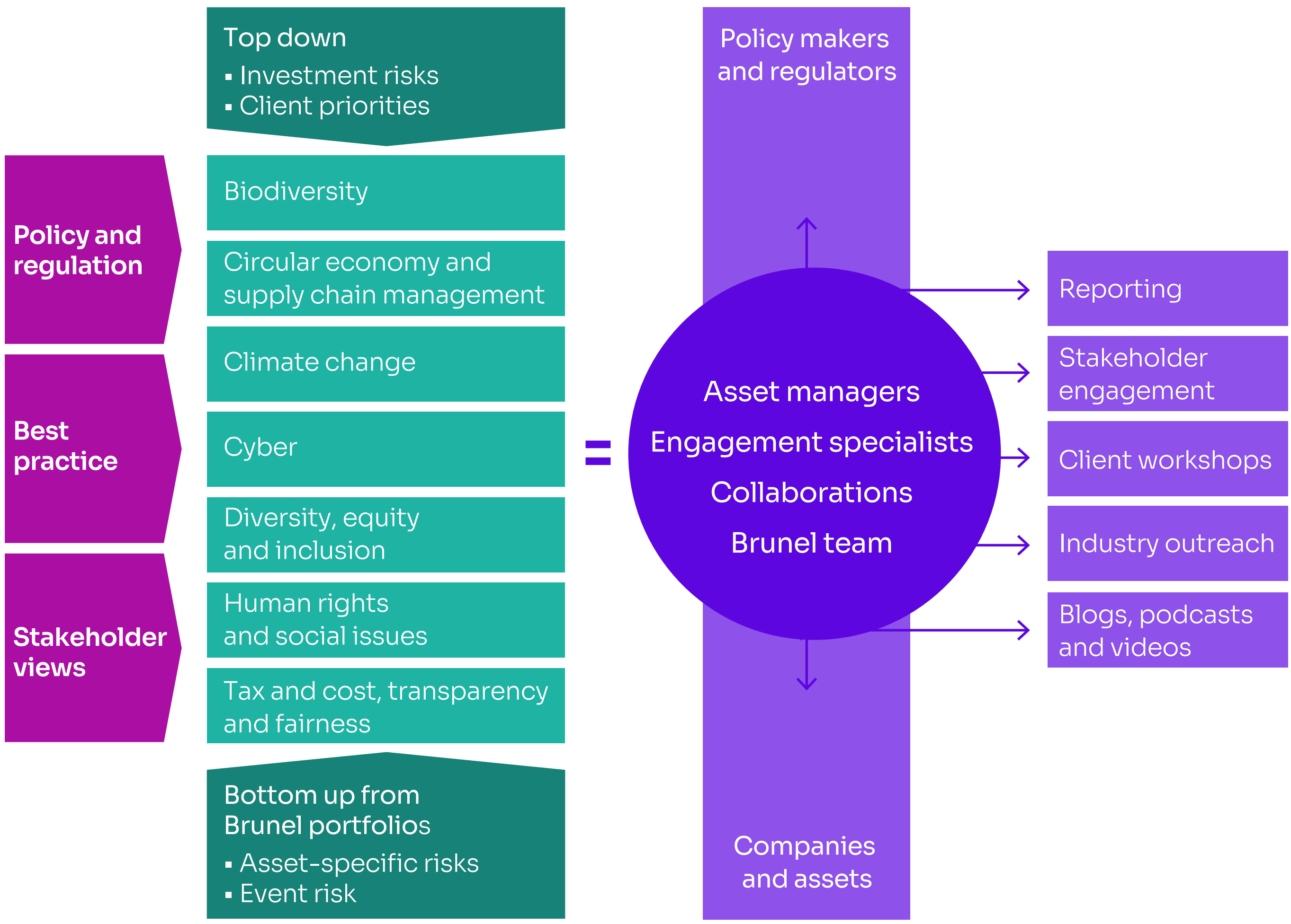
Brunel places significant RI expectations on its appointed managers and on the companies it invests in. Given our stated ambition to bring change to the industry, it is crucial that we implement our principles internally, too. We continue with our work on 'Walking the Talk' which covers several different areas, including gender pay gap, conflicts of interest, modern human slavery, and developing our carbon footprint reporting.

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.

TCFD (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. We have reduced fossil fuel exposures by almost 90% against our 2019 baseline. In our Climate Change Progress Report we demonstrate progress – this can be found on our website.



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 our highly agile organisation. 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.

Carbon Footprint Report

Brunel commissioned a third full carbon footprint report for September 2024. The report was prepared – and footprint calculated – by Carbon Managers, using the data supplied by Brunel over the 12-month period to 30 September 2024.

The footprint covers direct emissions from burning fuel and refrigerants (Scope 1), indirect emissions from electricity use (Scope 2) and supply and value chain emissions (Scope 3) from activities where a company has less control. This includes emissions from business travel, employee commuting, water use, waste disposal, resource use, and other indirect emissions associated with fuel/gas, and energy production and supply. As an investment business, we have excluded financed emissions from this section, as they are covered in our portfolio reporting.

Scope	Data type	2023/2024 Total (tCO2e)	2023/2024 Total (%)
Scope 1 (direct) Fuel & Refrigerant	Calculated from utility bills	4.19	3.3%
Scope 2 (indirect) Electricity Use	Calculated from utility bills	11.85 [0*]	9.4% [0*]
Scope 3 Supply Chain	Calculated from expense data plus survey and spend estimates	110.66	87.3%
Total	–	**126.70**	**100%**

*Market-based figures, based on renewable energy sources

Operational Carbon Footprint

Initial actions Brunel will take to improve our organisational footprint in the next reporting years will be:

- Improve the quality of the data by appointing an executive level sustainability champion and a cross-company working group
- Develop a process for regular data collection, perhaps monthly or quarterly
- Review our benefits package and how this can further support our move to Net Zero
- Review our internal policies and procedures to support the reduction of our carbon footprint, such as our travel and expenses policy
- Explore the possibility and impact of credible carbon offsetting in the short term, as we move towards carbon reduction
- Collect timely and accurate data for future years

Disclosures: gender pay and CEO pay

Fostering Change: Gender Pay

Brunel has fewer than 250 employees, so is not required to disclose its gender pay gap. However, Brunel is committed to regularly reviewing our approach to recruitment, reward and development as part of our ambitions to build a diverse, inclusive and transparent culture, and to making ourselves an attractive employer. The Remuneration Committee therefore voluntarily discloses our gender pay gaps.

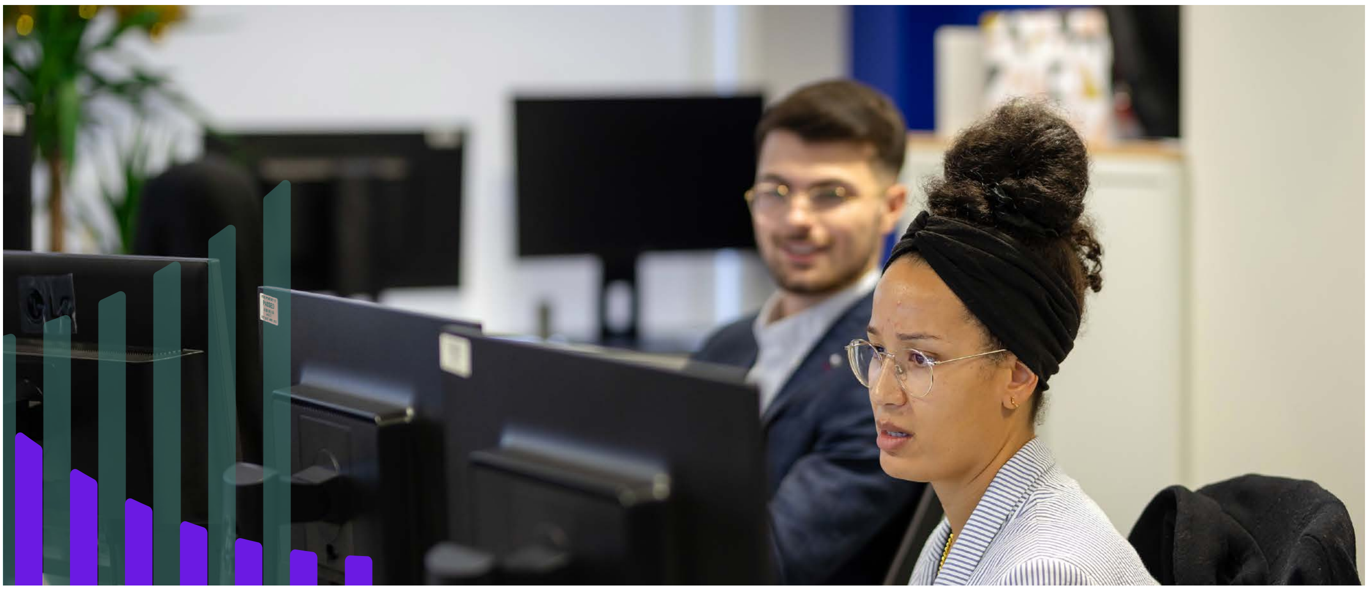
The gender pay review helps us to monitor fair remuneration within our workforce. We have, where possible, adopted hiring practices that address the gender pay gap through looking for a gender-balanced cohort of candidates and seeking balance across a much broader range of diversity and inclusion metrics.

First, we want to acknowledge our gender pay gap. In 2024, the median gender pay gap was 15%, a significant drop from 2023, when it had been 37%. Increased equalisation across lower, lower middle and upper middle quartiles all contributed to the headline improvement.

Brunel's latest round of data gathering took place at a moment when gender balance was relatively even – 37 men and 38 women were included in the data.

Our progress also came in other ways. We obtained an **Investors in People** accreditation; we used enhanced diversity metrics (LinkedIn Recruiter) and analytics around gender balance in recruitment campaigns; we reviewed and analysed the results from the annual staff survey to ensure better understanding of how well different genders feel understood within the business; we reviewed succession planning with a focus on gender balance; we promoted flexibility and encouraged more women to develop into managerial roles.

We are already working on further initiatives and will report on those in the next Annual Report & Financial Statements.



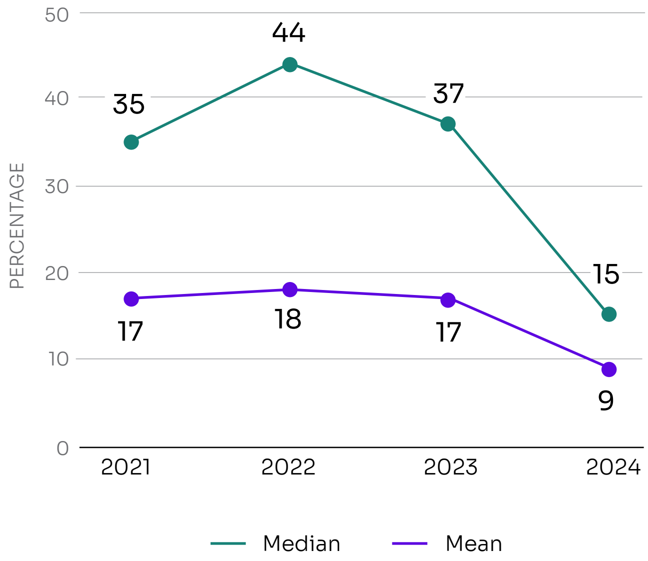
Brunel pay quartiles: Men and Women

The graphic at the foot of the page shows what percentages men and women account for within each of the four Brunel pay quartiles.

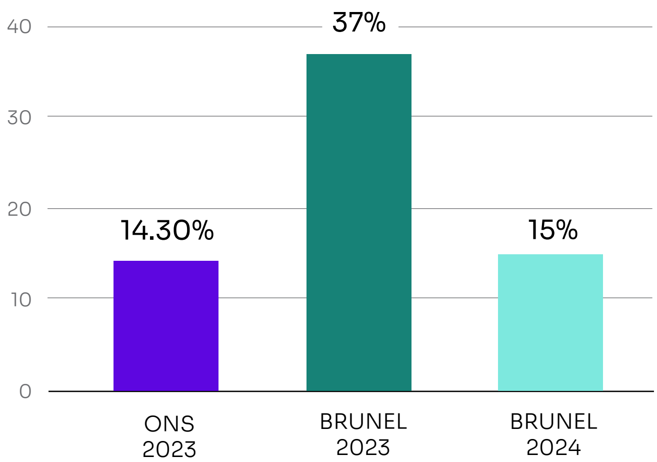
Median & Mean Pay Ratios

Median Gender Pay Gap in 2024 was 15% compared to 37% in 2023.

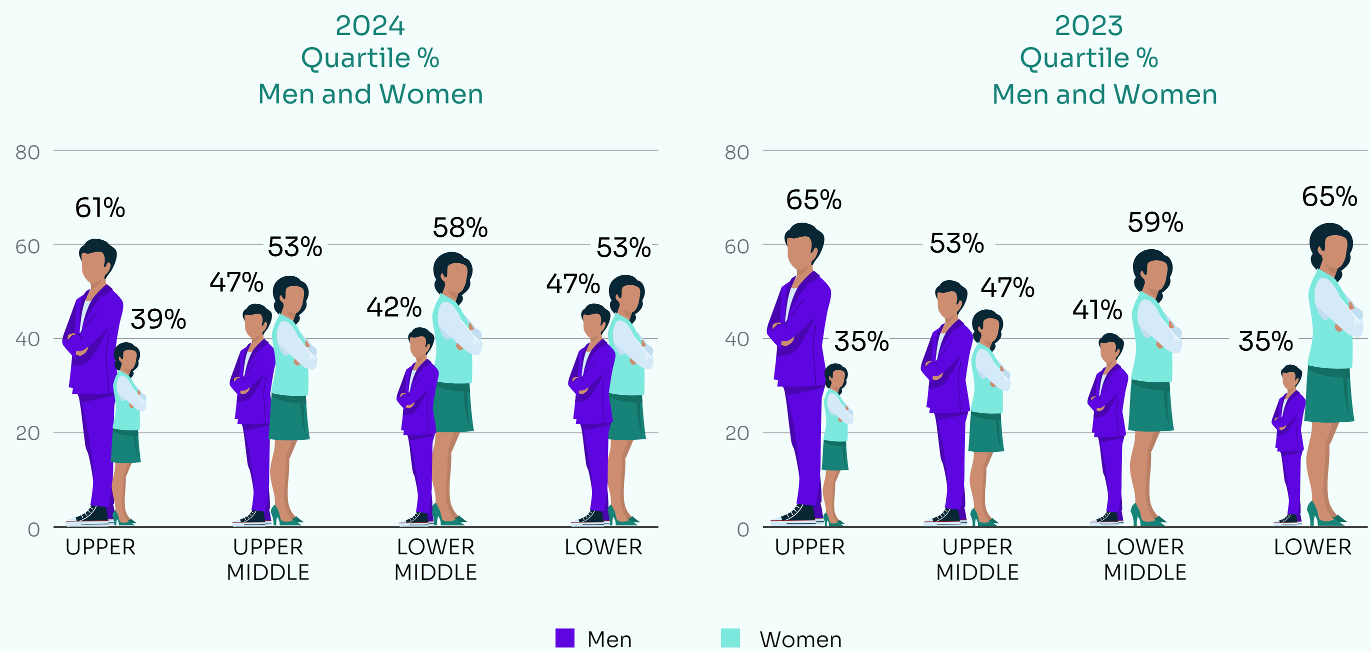
Mean Gender Pay Gap in 2024 was 9% (rounded) compared to 17% in 2023.



Median gross hourly earnings gender pay gap



This 4-year view demonstrates that our pay gap has closed significantly in the last 12 months, noting that the gender balance of our workforce has remained relatively stable.



CEO Pay Ratio

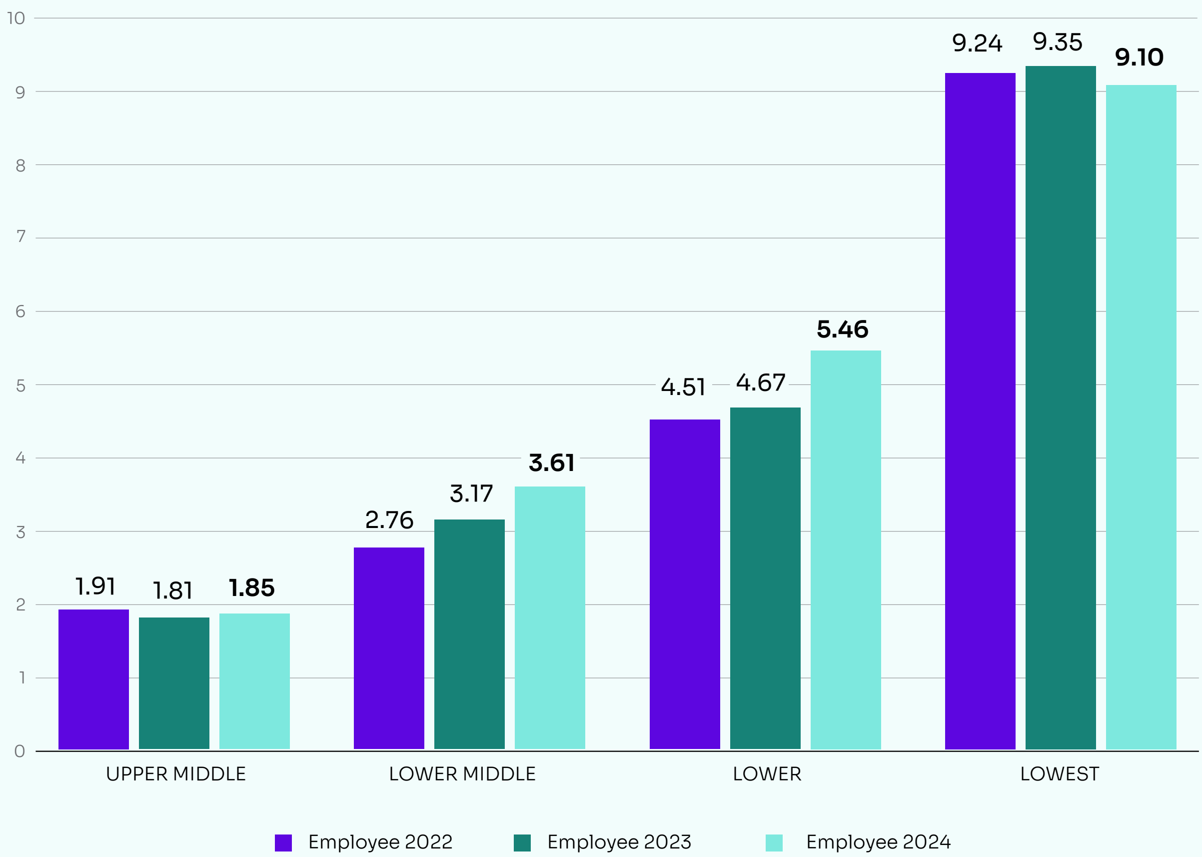
The CEO pay ratio examines the relationship between the CEO's pay and employee salaries throughout the organisation. These ratios show how much the CEO earns relative to the employees in each quartile.

The CEO Pay ratio is considered to be 9.1.

To explain, it takes 1 year for the CEO to earn their salary. Based on financial 2023/24, it would take our lowest-paid employee 9.1 years to earn the same amount.

Although the pay ratio did not change significantly for those in the upper middle quartile, the ratio between those in the lower middle and lower quartiles did increase.

As reported in 2022/23, we expected the increase trend to continue into the 2023/24 year due to the continued efforts to close existing pay gaps between Brunel and other financial service organisations. Positively, the pay ratio between the CEO and the lowest-paid employee decreased and is therefore below that reported in 2022/23.



Corporate Governance

Overall Financial Performance

Corporate Performance

During the year ending 30 September 2024, Brunel made a profit of £0.4m (2023: £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.

Profit before tax is reported of £0.84m (2023: £0.03m) which includes the pension service charge adjustment.

At the year end, Brunel recorded a pension surplus of £1.9m (2023: £0.9m). The surplus has not been recognised in the accounts as it is not technically recoverable and an Asset Ceiling Adjustment has been applied, resulting in a zero balance. The Pension Recharge Asset has accordingly also been valued at zero.

The year-end cash balance was £12.8m (2023: £11.5m), which includes an amount of deferred revenue relating to the coming year of £5.1m (2023: 4.0m).

In the financial statements, accounting for the defined benefit pension scheme is the most complex item, so to help users of this report, we have 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; this year the contributions paid were greater than this cost, by £0.45m (2023: (£0.2m)). This adjustment is reversed through the actuarial gains and losses within the Total Comprehensive income for the period. The impact of these adjustments is shown in the table below.

In 2020 a Pension Recharge Agreement (PRA) was provided by our shareholders which largely mitigates the volatility of the movement in pension liabilities. Further details can be found in note 4.7 and 20 of the Financial Statements.

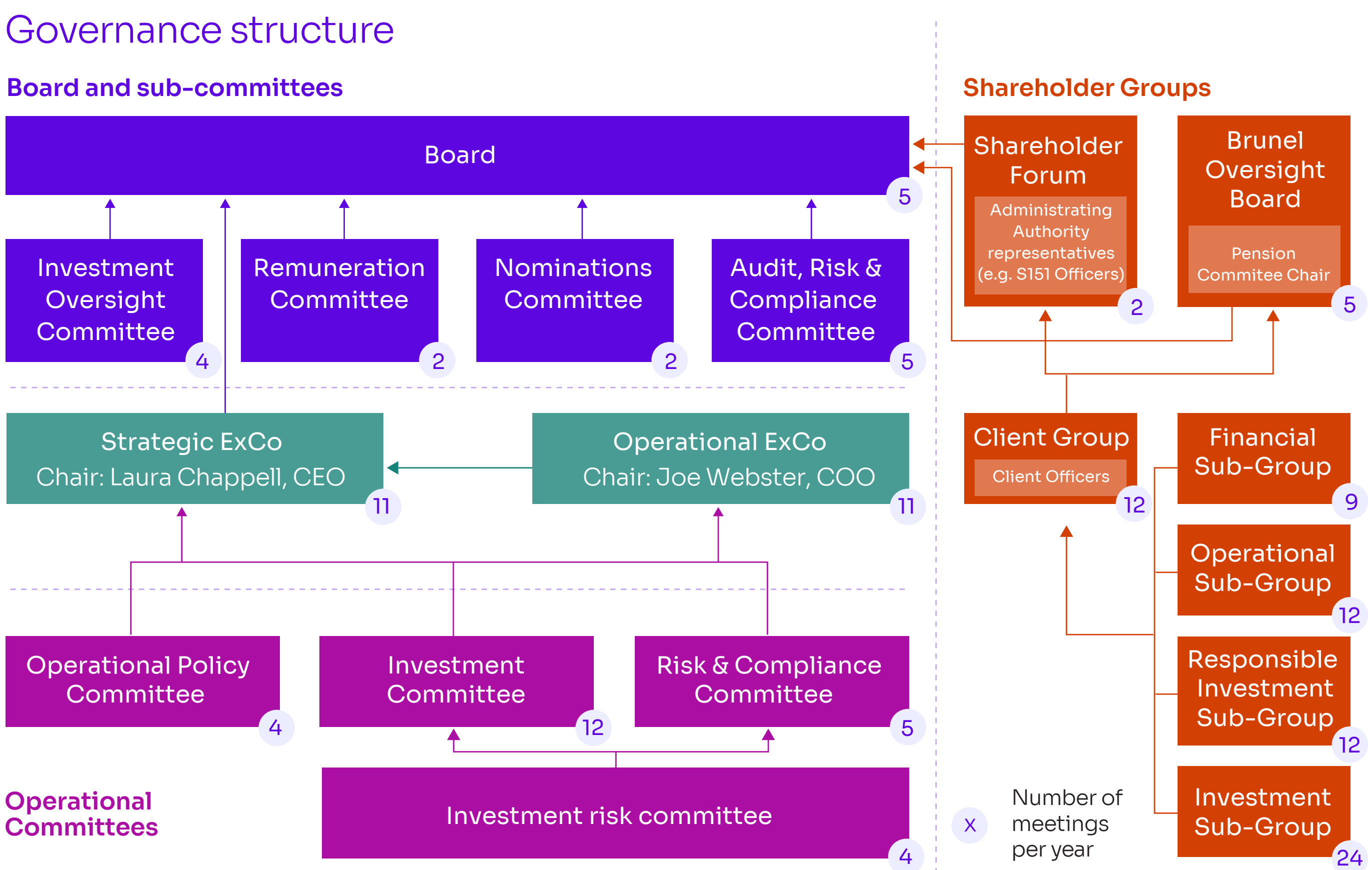
	2024 (£'000)	2023 (£'000)
Turnover & Other income	13,671	12,041
Cost of sales/ Admin Expenses	(13,284)	(11,824)
Management View: Profit before taxation (before Pension Service Charges, Interest & Taxation)	**387**	**217**
Pension Current Service/Net Interest Cost*	448	(187)
Profit before taxation	**835**	**30**
Taxation	(219)	7
Profit for the period after taxation	**616**	**37**
Actuarial gains and losses*	(448)	289
Remeasurement of pension reimbursement asset	-	(102)
Tax on items of other total comprehensive income	112	(72)
Total comprehensive income for the period	**280**	**152**

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

Governance Structure

Board and Sub-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 2024, the Board of Brunel consists of six Independent Non-Executive Directors (NEDs): Denise Le Gal (Chair until 30 September 2024), Sally Bridgeland (Chair from 01 October 2024) 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 Scheme member-representatives as observers, Andy Bowman and Alistair Bastin
- Client Group is made up of Client Fund Officers



Report from Audit & Risk Committee

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

Brunel continues to operate in an uncertain environment, with heightened geopolitical risk, an uncertain global economic outlook, and the global politicisation of climate change, all of which looks to continue for the foreseeable future. Although the outcomes of the UK and US elections are now known, there remains considerable uncertainty over the world economy and in particular net zero commitments. Over the past twelve months we have witnessed an increased use of Artificial Intelligence (AI) in business activity, which brings increased risk as well as increased opportunities, whilst the global IT outage caused by the CrowdStrike event highlights the potential risks around the digital environment in which we operate.

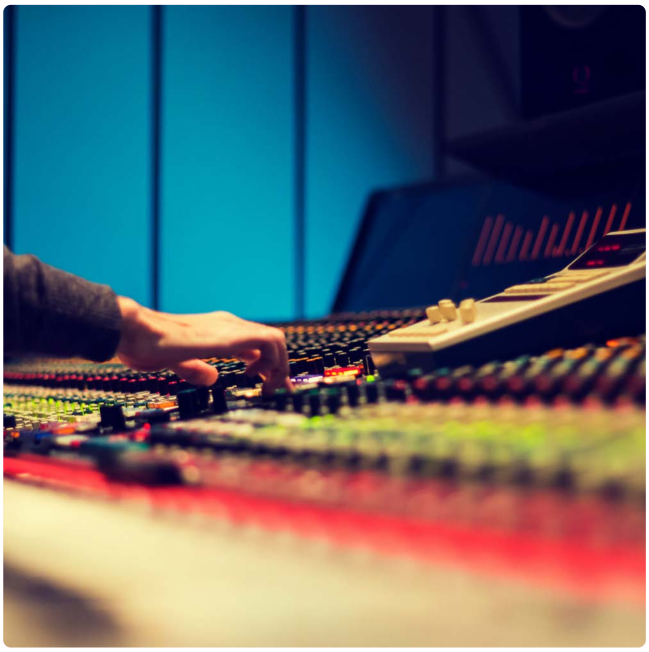


Photo by Adi Goldstein on unsplash.com

Our success is dependent on effective risk management. We dedicate significant effort to monitoring current risks actively whilst scanning the horizon for emerging risks. Brunel's operating model was designed to be inherently low-risk, through the design of our investment model and the use of robust outsourced service providers. The model continues to serve us well.

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.

Brunel's capital adequacy requirements fall under the FCA's UK Investment Firm's Prudential Regulation (IFPR) regime, setting our capital and liquidity requirements and outlining our remuneration reporting and governance standards. These are continually reviewed as part of Brunel's Internal Capital Adequacy and Risk Assessment (ICARA).

Core to the FCA's regime is the continued identification and management of the risk of harm to clients. Brunel has always placed significant emphasis on the needs and protection of our clients, and we believe that Brunel's culture, which emphasises the importance of adding value for our clients, aligns with this approach where we ensure risks are continually reviewed and at the forefront of decision-making in all our activities throughout the year.

Our strong culture also embodies high 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. Accordingly, significant effort was expended on implementing Brunel's Task Force on Climate-Related Financial Disclosures (TCFD) reporting to our clients in 2023/24. We also continue to 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.

At a macro level, 2023/24 was another interesting reporting year, with our particular focus being on the risks from: continued geopolitical tensions; the outcomes of the UK elections, the economic outlook and impact on climate change; the government's proposed changes to pension provision and pooling; cyber security threats, and the greater use of AI in commerce.

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.

The Audit, Risk and Compliance Committee ('ARC') meets five times during the year and considers those risks it believes to be heightened by contemporaneous and near-term events and then undertakes further work to ensure those risks are mitigated and managed within our agreed tolerance levels.

During 2023/24 Brunel's key risks included; -

Strategic risk — the impact of the change in government, in particular, the government's on-going pooling consultation, along with the pace and scope of regulatory change, considering how this impacts Brunel's future operating model.

People risk — Brunel needs to compete continuously to build resilience and reduce key person risk, whilst addressing cost of living pressures; risks Brunel has mitigated through the implementation of its new People Strategy.

Cyber security — Brunel remains extremely vigilant, especially when we see the impact of events like the CrowdStrike outage, whilst also considering how we adopt and use AI to support our business.

Climate change risk — exacerbated by slower-than-hoped-for in reversing the causes of global warming, along with increased politicisation globally.

Product innovation risk — the risk of Brunel failing to keep pace with changing client requirements.

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 Operational Resilience, Climate Change policy and strategy, Asset Manager Oversight & Portfolio Monitoring, Cyber Security, ICARA preparation and use and Change Management. The overall standard of control was found to be good, with areas for continuous improvement helpfully highlighted.

We are continuously enhancing our business's risk management framework, ensuring that we not only manage known risks effectively but also have the best chance of anticipating and managing new and emerging risks. This ongoing effort is central to Brunel's commitment to continuous improvement and our determination to deliver significant value to our stakeholders.

Directors' Report

Brunel Pension Partnership Limited
For the year ended 30 September 2024

The Directors of Brunel Pension Partnership Limited (Brunel) present their report and the financial statements for the year ended 30 September 2024.

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:

Royal York Crescent, Clifton, Bristol

- 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 2024, and the 3-year budget to March 2027 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 & Dividends

The profit for the year, after taxation, amounted to £616k (2023: £37k). No dividends were paid during the year (2023: nil) and no recommendation is made to pay a final dividend.

Expected Future Developments

The focus in the coming year will be Brunel's response to the Government LGPS consultation on Fit for Future, published in November 2024, and the implications of this in terms of development of the business, provision of additional services and further transition of legacy assets.

Brunel will implement its new Front & Middle office services for Private Markets, and continue to develop its Target Operating Model, building out its data services which will support the future growth of the business whilst at the same time continue to provide and develop portfolios and services in line with our partner funds requirements.

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:

Sally Bridgeland Appointed: 01 May 2024	
Laura Chappell	
Miles Geldard	
Denise Le Gal Resigned: 30 September 2024	
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 2024.

Sally Bridgeland	1/1
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 2024, the actuary has reported a pension surplus of £1,890k (2023: surplus of £916k). 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 has been one event that has affected the Company since 30 September 2024. This is the publishing of the Government's Local Government Pension Scheme: Fit for Purpose consultation that outlines proposed changes to the asset pooling regulations and will require the provision of additional services and transition of remaining client legacy assets to ensure compliance by March 2026 should these regulations come into force.

Independent Auditors

PKF Littlejohn LLP have expressed their willingness to continue in office as auditor. Following the finalisation of the 2023/24 external audit, PKF Littlejohn LLP will be proposed for reappointment as auditor of the Company at the Annual General Meeting on 13 March 2025 in accordance with s487 of the Companies Act 2006.

This report was approved by the Board on 16 January 2025 and signed on its behalf.

Joe Webster
Chief Operating Officer
22 January 2025

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 2024 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 2024 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.

The Radcliffe Camera, University of Oxford, Oxfordshire

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 (FCA). 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.

Bowerman's Nose, Newton Abbot, Devon

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

For and on behalf of:
PKF Littlejohn LLP
15 Westferry Circus, Canary Wharf
London E14 4HD

Ian Cowan

22 January 2025

Financial Statements

Statement of Total Comprehensive Income

Brunel Pension Partnership Limited
For the year ended 30 September 2024

	Note	2024 (£)	2023 (£)
Turnover		13,670,544	12,041,032
Cost of sales	7	(6,590,387)	(6,318,796)
Gross profit		**7,080,157**	**5,722,236**
Administrative expenses	8	(6,712,479)	(5,885,567)
Operating Profit/(Loss)		**367,678**	**(163,331)**
Interest receivable and similar income		468,774	208,883
Interest payable and similar charges		(1,182)	(15,350)
Profit before taxation		**835,270**	**30,202**
Taxation	11	(219,240)	6,506
Profit for the year		**616,030**	**36,708**
Actuarial gains and losses	20	(448,000)	289,000
Remeasurement of pension reimbursement asset	20	-	(102,000)
Tax on items of other comprehensive income/(loss)	11	112,000	(72,250)
Total comprehensive income for the year		**280,030**	**151,458**

Statement of Financial Position

Brunel Pension Partnership Limited
As at 30 September 2024

	Note	2024 (£)	2023 (£)
Assets			
Non-current assets			
Tangible assets	12	126,092	153,251
Intangible assets	13	-	-
Long term debtors	14	49,750	49,750
Total		**175,842**	**203,001**
Deferred tax asset	11	**204,968**	**312,207**
Current assets			
Debtors	15	1,716,417	1,100,264
Cash at bank and in hand	16	12,757,515	11,525,433
Total		**14,473,932**	**12,625,697**
Total assets		**14,854,742**	**13,140,905**
Liabilities			
Current liabilities			
Creditors: amounts falling due within one year	17	7,212,852	5,779,045
Total		**7,212,852**	**5,779,045**
Non-current liabilities			
Net defined benefit obligations	20	-	-
Provisions for other liabilities	21	141,180	141,180
Total		**141,180**	**141,180**
Total liabilities		**7,354,032**	**5,920,225**
Net current assets		**7,261,080**	**6,846,652**
Net assets		**7,500,710**	**7,220,680**
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	-	-
Retained earnings	23	(899,290)	(1,179,320)
Total equity		**7,500,710**	**7,220,680**

The financial statements were approved by the Brunel Board on 16 January 2025 and signed on its behalf.

Joe Webster
Director and Chief Operating Officer
22 January 2025
Company Registration Number: 10429110

Statement of Cashflows

Brunel Pension Partnership Limited
For the year ended 30 September 2024

	Note	2024 (£)	2023 (£)
Cash flows from operating activities			
Operating profit/(loss)		367,678	(163,331)
Adjustments for:			
Depreciation of tangible assets	12	86,198	75,438
Amortisation of intangible assets	13	-	-
Loss on disposal of tangible assets	12	549	317
Interest paid		(1,182)	(15,350)
Interest received and similar income		468,774	208,883
Increase in trade and other debtors	15	(616,154)	(74,934)
Increase in trade creditors and restoration obligation liability	17 & 21	1,433,807	593,521
Post-employment benefits less payments		(448,000)	187,000
Cash from operations		**1,291,670**	**811,544**
Income taxes paid		-	-
Net cash generated from operating activities		**1,291,670**	**811,544**
Cash flows from investing activities			
Purchase of tangible assets	12	(59,588)	(95,692)
Net cash used in investing activities		**(59,588)**	**(95,692)**
Net increase in cash and cash equivalents		**1,232,082**	**715,852**
Cash and cash equivalents at the beginning of the year	16	11,525,433	10,809,581
Cash and cash equivalents at the end of the year	16	**12,757,515**	**11,525,433**

Analysis of debt

	01 October 2023	Cash Movements	Non-Cash Movements	30 September 2024
Cash & Cash Equivalents	**11,525,433**	**1,232,082**	**-**	**12,757,515**

Statement of Changes in Equity

Brunel Pension Partnership Limited
For the year ended 30 September 2024

	Share Capital	Share Premium	Pension reimbursement asset reserve	Retained earnings	Total
Balance at 01 October 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**
Profit for the year	-	-	-	616,030	**616,030**
Actuarial gains and losses	-	-	-	(448,000)	**(448,000)**
Tax on items of other comprehensive income	-	-	-	112,000	**112,000**
Revaluation of pension reimbursement asset	-	-	-	-	**-**
Total Other comprehensive income	**-**	**-**	**-**	**280,030**	**280,030**
Balance at 30 September 2024	**20**	**8,399,980**	**-**	**(899,290)**	**7,500,710**

Notes to the Financial Statements

Brunel Pension Partnership Limited
For the year ended 30 September 2024

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 levels of its current cash resources.

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. Principal 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. Where software is fully amortised and still generating economic benefits, this is mentioned in note 13.

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 receivables 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 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:

- The increase in net pension benefit liability arising from employee service (including transfers received) during the period; and
- 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 Total 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.

The Company also provides staff a Defined Contribution Pension Scheme provided by Smart Pension as an alternative. The accounting treatment is to expense the employer's contributions to the scheme in the Statement of total comprehensive income.

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 certain assets to be measured at fair value, similar to scheme assets. Brunel use a model to discount future contribution streams back to the year end to address any funding deficit. This fair valuation may not always match the liability due to different discount rates for the pension recovery asset and liability, with differences recognised in other comprehensive income (OCI).

The pension reimbursement asset, when applicable, is recognized as a long-term debtor in the Statement of Financial Position, with a corresponding credit in the Pension Reimbursement Asset Reserve in equity. This reserve represents a non-cash commitment from shareholders and aligns with the net pension liability movement, providing immediate funding for any risks or losses. Changes in the actuarial pension liabilities are offset by the PRA, with movements recognized through OCI and 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 costs plus a mark-up of 3%. Turnover is adjusted at the end of the budget year (March) for any over/underspends.

From April 2024 to March 2025, clients have been invoiced an additional 2% contingency in relation to retendering of contracts with uncertain value at the time of budget setting. This income will be recognised in line with associated costs.

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. Post Balance Sheet Event

There has been one event affects the Company since 30 September 2024. This is the publishing of the Government's Local Government Pension Scheme: Fit for Purpose consultation that outlines proposed changes to the asset pooling regulations and will require the provision of additional services and transition of remaining client legacy assets to ensure compliance by March 2026 should these come into force. The consultation closes on 16 January 2025, and Brunel is required to submit a plan to demonstrate a clear path to meeting the consultations' requirements by the due dates set out in the consultations.

7. Cost of Sales

	2024 (£)	2023 (£)
Research Fees	9,000	9,000
Custodian & Administrator Services	701,773	713,290
Fund investment advice	1,424,395	1,346,307
Data Views, Sources & Benchmarks	543,095	556,227
Tax Advisory Fees	86,175	178,700
Legal Fees	23,770	96,348
Staff Emoluments	2,985,294	2,802,338
Costs associated with Investment activities*	816,885	616,586
Total	**6,590,387**	**6,318,796**

*Costs associated with Investment team activities include apportionment of overheads, including an apportionment of Operating Lease rentals of £43k (2023: £40k).

8. Administrative Expenses

	2024 (£)	2023 (£)
Statutory Audit Fees	40,164	40,561
Fee for non-audit services: Client Asset Assurance	5,000	5,000
Legal Fees	21,561	9,485
Consulting & Advisory	1,103,578	818,147
Operating Lease Rentals	71,200	72,335
Directors Emoluments	1,137,073	954,648
Staff Emoluments*	3,138,822	2,793,995
Staff Costs	48,204	43,912
Staff Development	98,727	86,882
Travel Costs	70,939	48,443
Office Running Costs	104,130	109,203
IT Development	230,258	217,054
Recruitment Costs	101,157	139,290
Insurance	295,691	315,305
Depreciation	64,581	55,280
Other Expenses	181,394	176,027
Total	**6,712,479**	**5,885,567**

* the Company recognises a provision of £146k (2023: £121k) 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. This is included in creditors.

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

9. Directors and Employees

Staff costs during the year were as follows:

	2024 (£)	2023 (£)
Wages and salaries	5,981,232	4,839,987
Social security costs	774,874	619,043
Other pension costs	1,156,862	904,951
Total	**7,912,968**	**6,363,981**

As noted previously the Company operates a defined benefit pension scheme for the benefit of certain employees. 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 £916k (2023: £836k). Not included in these tables are FRS102 pension cost adjustments made at the year-end that bring the total expense to £468k (2023: £1,023k).

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 £241k for the year (2023: £69k).

The average number of employees, including Directors, during the year was 68 full time equivalent (2023: 61).

Remuneration in respect of key personnel was as follows:

	2024 (£)	2023 (£)
Emoluments	2,228,472	1,875,625
Social security costs	284,184	238,761
Pension contributions	436,610	353,917
Total	**2,949,266**	**2,468,303**

Remuneration in respect of Directors was as follows:

	2024 (£)	2023 (£)
Emoluments	920,890	769,496
Social security costs	111,101	94,776
Pension contributions	105,082	90,376
Total	**1,137,073**	**954,648**

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

	2024 (£)	2023 (£)
Emoluments	236,555	202,042
Social security costs	31,289	26,331
Pension contributions	31,423	27,880
Total	**299,267**	**256,253**

10. Auditors' Remuneration

Fees payable to the Company's auditors for the audit of the Company's annual financial statements totalled £40,000 (2023: £40,000) ex VAT.

Fees payable to the Company's auditors in respect of other audit related services were £5,000 (2023: £5,000) ex VAT. These services relate to the provision of a client assets report to the Financial Conduct Authority in 2024 and 2023.

Figures in accounts may differ slightly due to out-of-pocket expenses.

11. Taxation

	2024 (£)	2023 (£)
Current Tax:	-	-
Deferred tax:		
Origination and reversal of timing differences	218,172	3,535
Adjustment in respect of previous years	1,068	(10,522)
Effect of changes in tax rates	-	481
Total deferred tax	**219,240**	**(6,506)**
Total tax per income statement	**219,240**	**(6,506)**

Other comprehensive income items:		
Deferred tax current year charge	(112,000)	72,250
	(112,000)	**72,250**

The tax assessed for the year is lower than the standard rate of corporation tax in the United Kingdom at 25% (2023: 22.01%). The differences are explained as follows:

	2024 (£)	2023 (£)
Profit for the year before tax:	835,270	30,202
Tax on profit at standard UK tax rate of 25% (2023: 22.01%):	208,818	6,647
Effects of:		
Expenses not deductible	9,354	3,606
Income not taxable	-	(6,718)
Adjustments from previous years	1,068	(10,522)
Tax rate changes	-	481
Tax charge/(credit) for the year	**219,240**	**(6,506)**
Tax on results on ordinary activities:	**219,240**	**(6,506)**

	2024 (£)	2023 (£)
Deferred tax assets:		
Provision at start of year	(312,207)	(377,951)
Adjustment in respect of prior years	1,068	(10,522)
Deferred tax charge to income statement for the year	218,171	4,016
Deferred tax charge/(credit) in OCI for the year	(112,000)	72,250
Provision at end of year	**(204,968)**	**(312,207)**

	Booked (£) 30 Sep 2024	Booked (£) 30 Sep 2023
Fixed asset timing differences	(68,067)	(65,276)
Fixed asset timing differences – trading	(52,222)	(38,004)
Losses	(84,679)	(208,927)
	(204,968)	**(312,207)**

Deferred tax assets:		
Recoverable within 12 months	(3,078)	(2,709)
Recoverable after 12 months	(201,890)	(309,498)
	(204,968)	**(312,207)**

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.

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 2023	489,228	264,712	753,940
Additions*	28,516	31,072	59,588
Disposals	-	(67,725)	(67,725)
At 30 September 2024	**517,744**	**228,059**	**745,803**
Depreciation			
At 01 October 2023	419,204	181,485	600,689
Provided in the year	28,864	57,334	86,198
Disposals	-	(67,176)	(67,176)
At 30 September 2024	**448,068**	**171,643**	**619,711**
Net book value at 30 September 2024	**69,676**	**56,416**	**126,092**
Net book value at 30 September 2023	**70,024**	**83,227**	**153,251**

*There is no increase for 2024 (2023: £21,536) 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 2023	283,744	283,744
Additions	-	-
Disposals	-	-
At 30 September 2024	**283,744**	**283,744**
Amortisation		
At 01 October 2023	**283,744**	**283,744**
Provided in the year	-	-
Disposals	-	-
At 30 September 2024	**283,744**	**283,744**
Net book value at 30 September 2024	**-**	**-**
Net book value at 30 September 2023	**-**	**-**

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 allow the efficient management of clients and dealing services. They also assist in mitigating risks in the provision of services, as required for an FCA authorised company.

Although this asset is now fully depreciated, it has not been written off as it is still generating economic benefit within the company.

14. Long Term Debtors

	2024 (£)	2023 (£)
Lease Deposit*	49,750	49,750
	49,750	**49,750**

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

15. Debtors

Due within one year	2024 (£)	2023 (£)
Accrued Income	58,616	86,193
Prepayments	616,5723	572,328
Trade Debtors	1,030,099	432,159
Other Debtors	11,130	9,584
	1,716,417	**1,100,264**

16. Cash at bank and cash equivalents

	2024 (£)	2023 (£)
Cash at bank	1,007,515	1,525,433
Cash Equivalents*	10,500,000	10,000,000
Cash Equivalents maturing within 3-6 Months	1,250,000	-
	12,757,515	**11,525,433**

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

17. Creditors: amounts falling due within one year

	2024 (£)	2023 (£)
Payroll Costs	136,032	128,400
VAT	536,228	447,017
Social Security Costs	206,966	183,765
Accruals	992,877	902,232
Deferred Revenue	5,051,988	3,952,132
Trade Creditors	287,500	163,333
Other Creditors	1,261	2,166
	7,212,852	**5,779,045**

18. Operating Lease Commitments

The Company has total future commitments in respect of non-cancellable operating lease on office space of £323,825 (2023: £438,115). The Company is liable for rent on the building until the lease end date of 31/07/2027.

The Company has future commitments of £138,863 (2023: £53,925) in relation to Salary Sacrifice EV Schemes.

	2024 (£)
In the next year (ending 30/09/2025)	172,610
Later than one year and not later than five years (01/10/2025-30/09/2029)	290,078
Total	**462,688**

	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**

19. Transactions with related parties

The Company's Shareholders paid £12,933,309 (2023: £12,449,229) for Core Services, of which £2,831,394 (2023: £2,807,543) was income received in advance relating to the October – December 2024 Quarter. £111,089, (2023: £117,738) was received in relation to elective services delivered to five clients in 2024 and eight clients in 2023, of this £45,295 was income received in advance relating to October 2024 – September 2025.

Payments of £21,470 (2023: £41,493) were made to Wiltshire Council for Payroll, HR and actuarial services in the financial year.

Pension contributions are made to Wiltshire pension fund in respect of the LGPS, details can be found in note 20 below.

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

- Payment of Directors salaries

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% (2023: 22.7%) 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 3 year 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 the funds' actuary (Barnett Waddingham) 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 2024 described below £455,000 (2023: £1,031,000) are recognised in the 2024 Financial Statements. This pension asset surplus has been reduced by the Asset Ceiling Adjustment which reduces the Net Asset to £0 in both 2023 and 2024. 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 is now £1,890k (2023: £916k) which includes £50k of interest and doesn't realise any of the current surplus as an asset.

Post-employment benefits summary

	2024 (£)	2023 (£)
Net Assets	12,482,000	10,230,000
Net Liabilities	(10,592,000)	(9,314,000)
Asset Ceiling Adjustment	(1,890,000)	(916,000)
Net Asset/(Liability)	**-**	**-**

Reconciliation of opening and closing balances of the defined benefit obligation

	2024 (£)	2023 (£)
Defined benefit obligation at start of year	9,314,000	8,974,000
Current service cost	465,000	1,021,000
Interest expense	517,000	487,000
Contributions by scheme participants	369,000	400,000
Benefits Paid	(28,000)	(80,000)
Remeasurements:		
Changes in financial assumptions	(91,000)	(1,713,000)
Other Experience and changes in demographic assumptions	46,000	225,000
Defined benefit obligation at end of year	**10,592,000**	**9,314,000**

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

	2024 (£)	2023 (£)
Fair value of scheme assets at start of year	10,230,000	8,872,000
Interest income	591,000	477,000
Return on scheme assets in excess of interest income	431,000	(283,000)
Contributions from the employer	903,000	844,000
Contributions from employees	369,000	400,000
Benefits Paid	(28,000)	(80,000)
Administrative Expenses	(14,000)	
Fair value of scheme assets at end of year	**12,482,000**	**10,230,000**

The actual return on scheme assets over the year ending 30 September 2024 was 9.43% (2023: 2.1%)

In the prior year, administrative expenses are net off the current service cost, within the defined benefit obligation.

Reconciliation of opening and closing balances of the Asset Ceiling Adjustment:

	2024 (£)	2023 (£)
Opening impact of asset ceiling	916,000	-
Interest on impact of asset ceiling	50,000	-
Actuarial losses/ (gains)	924,000	916,000
	1,890,000	**916,000**

Defined benefit costs recognised in Statement of Comprehensive Income

	2024 (£)	2023 (£)
Current service cost (inc admin expenses)	479,000	1,021,000
Net interest cost	(24,000)	10,000
Defined benefit costs recognised in statement of total comprehensive income	**455,000**	**1,031,000**

Defined benefit costs recognised in Other Comprehensive Income

	2024 (£)	2023 (£)
Return on scheme assets (excluding amounts included in net interest cost)	431,000	(283,000)
Experience gains and losses on the scheme liabilities	(46,000)	(225,000)
Effects of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities	91,000	1,713,000
Movement in asset ceiling	(924,000)	(916,000)
Sub-total	**(448,000)**	**289,000**
Remeasurement of pension reimbursement asset	-	(102,000)
Total amount recognised in other comprehensive income	**(448,000)**	**187,000**

The loss recognised in the statement of Other Comprehensive Income for 2024 is £448,000 (2023: gain of £187,000).

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:

	2024 (%)	2023 (%)
Equities	41%	55%
Bonds	35%	29%
Property	22%	14%
Cash	2%	2%
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

	2024 (£)	2023 (£)
Reimbursement asset at start of year	-	102,000
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)
Reimbursement asset at end of year	-	-

Assumptions

	30 Sep 2024 % pa.	30 Sep 2023 % pa.
Discount rate	5.25%	5.45%
Salary increase rate	3.75%	4.30%
Pension Increase Rate (CPI)	2.80%	3.00%

Average life expectancies	Males	Females
Current Pensioners	21.0 years	24.0 years
Future Pensioners*	21.7 years	25.2 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 2024:	Approximate increase to Defined Benefit Obligation (%)	Approximate Monetary amount (£)
0.1% decrease in Real Discount Rate	3%	272,000
1 year increase in member life expectancy	3%	280,000
0.1% increase in the Salary Increase Rate	0%	32,000
0.1% increase in the Pension Increase Rate (CPI)	2%	247,000

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 2024:	Approximate % increase to Reimbursement Asset	Approximate Monetary amount (£)
0.5% decrease in Real Discount Rate	- %	438,000

This assumes the change in real discount rate still leaving Brunel in a net defined benefit pension surplus 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 01 October 2023	141,180
Provision made in the year	-
As at 30 September 2024	**141,180**

22. Called up Share Capital

	2024	2023
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.