

2020

**ANNUAL REPORTS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JULY 2020**

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CHAIR OF COUNCIL'S FOREWORD

It is a privilege for me to introduce the Financial Statements for Goldsmiths, University of London. This is the third year that I have served as Chair of Council and I am a proud member of this extraordinary community which delivers such outstanding work. This year, I have also had the pleasure of welcoming our new Warden, (the first woman to serve in the position) Frances Corner, to Goldsmiths.

During my time as Chair, I have seen and been part of Goldsmiths facing various internal and external challenges, but nowhere on our risk register were to be found the words 'global pandemic'. I would like to thank Goldsmiths staff, students, the Warden and Senior Management Team for stepping up and giving their all during this Covid time. Their commitment and hard work have met unexpected and high demands during uncertain times, and enabled us to continue to deliver, albeit in significantly changed ways.

The College continues to count the cost of Covid-19, with Goldsmiths and the wider sector investing millions of pounds to radically shift our way of teaching and learning, safeguarding our campus and protecting staff, students and the community whilst experiencing significant falls in revenue. All of this has drawn on our resources in ways which could not be anticipated or planned for. Combined with other internal and external challenges, and the knowledge that it is essential during times of such crisis, to reflect, build on strengths, evolve, create and innovate in order to grow our future, we are simultaneously focussing on that and planning for it. The Student experience, our world class research and staff support remain central priorities for the College. I am pleased that the College and Unions have been in continual dialogue during this time and this close-working will continue, seeking to achieve the best outcome for staff, whilst understanding that changes need to take place to provide the College with the opportunity to survive and thrive.

During this time, we have drawn upon the expertise of our Council members to a high degree. The Council is ultimately accountable for the overall work of the College and they have offered unflagging and unfailing support. It is a pleasure and privilege to Chair such a combination of outstanding individuals. Their work may go on behind the scenes but their contribution and commitment to promote and secure the interests of the College is extensive. My profound thanks therefore go to my Deputy Chair, Lynn Percy, and all the other independent members who freely volunteer their expertise, time and commitment; and our staff members and Students' Union representatives who go above and beyond their duties, committing many more hours than anticipated in supporting our College during these testing times

This global pandemic has shown how agile, creative and forward-thinking Goldsmiths can be, and we are drawing on those qualities to chart our way forward. Working together as a community we have much to do. All that has happened this year requires the economy, society and communities as a whole to evolve, create and innovate to meet the future which makes Goldsmiths, what it does and contributes, ever more vital.

The Council will be playing our part along with the rest of the community to make sure that we are in the best position possible to make that contribution the best it can be.



Dinah Caine CBE
Chair of Council



WARDEN'S FOREWORD

This has been a year like no other for the College. When lockdown was introduced in March, our campus was restricted for the first time since the Second World War and the pandemic continued to keep us apart like never before. Yet in responding to these extraordinary circumstances our community has truly joined together.

At the time of writing, the first and likely not the last mass testing programme is being administered in the Great Hall. It is an example of the shared purpose and detailed and complex work undertaken by all colleagues this year in response to Covid-19.

In such uncertain times, our staff provided as much certainty as possible to our students to ensure that they have continued to progress with their learning. The efforts to move all teaching online at speed in the spring, while working remotely, were nothing short of remarkable.

Academic colleagues have adapted to this change with resolve, and I thank them all for undertaking this work alongside their teaching and research activities. The expertise and dedication of our Teaching and Learning Innovation Centre (TaLIC) in supporting these efforts proved invaluable, while the help offered through our Online Learning Contribution Fund enabled students to access online learning.

I would also especially like to pay tribute to colleagues across professional services and in particular to the Estates and Facilities team for their work to keep our campus operating safely. Special thanks also go to those staff who continue to provide wellbeing and other support to students day and night.

The resilience of our students has been admirable and they have responded to the pandemic with maturity and level of responsibility we have come to expect from our community. They have continued learning, creating and contributing to society by playing an active role in Lewisham's community response to the virus.

In confronting the challenges of the pandemic, the College has also worked closely with our local partners in the interest of our neighbouring communities. Alongside this work, we are reinvigorating our community engagement through a new Civic Strategy and the development of a Civic University Agreement, recognising the responsibility we have as an anchor institution in our local area.

Our work to deliver a Green New Deal for Goldsmiths has been developed since the College declared a climate emergency last year. The launch of our PLAN25 action plan has charted our path to carbon neutrality by 2025. The work is nominated for Green Recovery Initiative of the Year and Net-Zero Carbon Strategy of the Year at the Sustainability Leaders Awards 2021, with results to be announced in spring 2021.

We have established a Race Justice Strategy Board in recognition that our commitment to address race disparities has not progressed at the pace the situation demands. I am chairing the Board, with students and staff from across the College contributing to the development of a College-wide approach.

The pandemic has amplified the inequalities in society that we at Goldsmiths seek to address and our mission is more vital than ever. These accounts demonstrate the work that must be done to secure our future, amid the challenge brought about by this year.

This period of challenge and change will test the College. Just as we have come together to respond to the pandemic, we must confront the coming year with the same sense of purpose. We are not an exception; universities across the country are facing up to similar challenges and I believe our community has the resolve to navigate our present circumstances. We are not an exception, but our impact on the future can be exceptional.



Professor Frances Corner OBE
Warden

COUNCIL AND COMMITTEE MEMBERSHIP

Council

Ms Dinah Caine *CBE (Chair)*
 Professor Frances Corner *OBE*
 Professor David Oswell
 Professor Elisabeth Hill
 Professor Mark d'Inverno
(to September 2020)
 Sir David Reddaway *KCMG MBE*
 Mr Joe Leam *(to 31 August 2020)*
 Ms Lauren Corelli
(from 1 September 2020)
 Mr Conrad Heyns *(to 31 August 2020)*
 Dr Rodger Kibble
(to 30 September 2020)

Dr John Price *(to 31 August 2020)*
 Professor Anna Carlile
(from 1 September 2020)
 Professor Anna Furse
(from 1 September 2020)
 Dr Naomi Thompson
(from 1 September 2020)
 Mr Ben Fowler
 Dr Suhail Malik *(to June 2020)*
 Professor Atau Tanaka
(from July 2020)
 Mr Kieran Offlands *(to 31 August 2020)*
 Ms Irene Adeyinka
(from 1 September 2020)
 Dr Ronke Akerele *(from April 2020)*

Ms Monika Barnes
 Mr Ian Borman
 Professor Susan Dilly
 Ms Althea Efunshile *CBE*
(to January 2020)
 Mr Andrew Laurence
 Ms Helen MacNamara
(to December 2019)
 Mr Ravi Mahendra
 Mr Ben Morton-Wright
(from 1 September 2020)

Ms Lynn Percy *(Deputy Chair)*

Mr Aaron Porter
 Ms Pam Raynor
 Ms Carol Rue *(to 31 August 2020)*
 Mr Philip Stoltzfus
 Dr Theodora Zemek
(to 31 August 2020)

Audit and Risk Committee

Ms Pam Raynor *(Chair)*
 Dr Ronke Akerele
 Mr Ian Borman *(to 31 August 2020)*
 Mr Aaron Porter *(to 31 August 2020)*
 Mr Steve Stanbury *(to 31 August 2020)*
 Dr Theodora Zemek
(to 31 August 2020)
 Mr Ravi Mahendra
(from 1 September 2020)
 Sir David Reddaway *KCMG MBE*
(from 1 September 2020)

Finance and Resources Committee

Ms Lynn Percy *(Chair)*
 Mr Ian Borman
(from 1 September 2020)
 Ms Lauren Corelli
(from 1 September 2020)
 Professor Frances Corner *OBE*
 Professor Susan Dilly
 Mr Joe Leam *(to 31 August 2020)*
 Mr Ravi Mahendra *(to 31 August 2020)*
 Mr Ben Morton-Wright
(from 1 September 2020)
 Mr Philip Stoltzfus

Key Management Personnel

Professor Frances Corner *OBE*
(Warden)
 Professor Elisabeth Hill
(Deputy Warden)
 Professor Mark d'Inverno
(Pro-Warden, to September 2020)
 Professor David Oswell *(Pro-Warden)*
 Ms Helen Watson
(Registrar and Secretary)
 Mr Nirmal Borkhataria
(Interim Director of Finance)
 Ms Carol Ford
(Director of Human Resources)
 Ms Lynne Tucker
*(Chief Information Officer,
 to 5 June 2020)*
 Professor Michael Banissy
*(Acting Head of School of
 Professional Studies, Science and
 Technology, from 1 October 2020)*
 Ms Helen Cocker
 and Mr Philip Gourlay
*(joint interim Directors of IT,
 from 6 June 2020)*



STRATEGIC REPORT

A NOTE ON DEFINITIONS

The Higher Education sector has a tendency to lapse into acronyms and to use terms that are not necessarily familiar off-campus. With that in mind, here is a list of definitions of a number of key terms used throughout this document:

Council	Goldsmiths' overall governing body.
FRS 102	Financial Reporting Standard 102 is the UK accounting standard that Goldsmiths is obliged to follow, along with the Higher Education SORP (see below).
NSS	The National Student Survey, an annual exercise whereby final-year students contribute feedback on their Higher Education experience.
OfS	Office for Students, the sector's current principal regulator.
QR funding	The block grant funding for research activity, used to sustain a research base at Goldsmiths alongside grant income won through bids/applications to Research Councils and other funders.
REF	Research Excellence Framework, an exercise conducted in 2014 to assess the quality and impact of research activity across the Higher Education sector. The results of the REF were used to inform the allocation of QR funding (see above). The next REF exercise will be concluded in 2021.
SMT	The Senior Management Team, which provides overall operational leadership to Goldsmiths.
SORP	Statement of Recommended Practice, which gives guidance on how to apply FRS 102 to the Higher Education sector.
STEM	A collective term used to describe Science, Technology, Engineering and Maths. Recognising the role that creativity plays in scientific advance, we are committed to the idea of STEAM subjects, where the 'A' stands for Arts.
UKRI	UK Research and Innovation, a body that brought together the UK's existing research councils and took on HEFCE's responsibilities in respect of research.

INTRODUCTION

The Strategic Report covers pages 6 to 29 inclusive.

This Strategic Report has been prepared under the narrative disclosure requirements of the Higher Education Statement of Recommended Practice (SORP). The financial results and position discussed within the Strategic Report have been presented in line with the accounting requirements of Financial Reporting Standard 102 (FRS 102).

The report gives an overview of how our unique and distinctive institution works. It explains the historical journey we have been on and how that rich history informs the Goldsmiths of today and tomorrow. We explain our strategic objectives and look at progress in achieving those objectives and where there is more work to be done. The report describes our operating structure and the key financial drivers that impact Goldsmiths – the so-called ‘business model’ of the College – and we address our financial performance in the light of those drivers. Finally, we look to the future as we consider the external environment and the opportunities and challenges posed by regulatory, economic, social and political change.

Goldsmiths is a strong and vibrant community of students and staff, dedicated to theoretical, creative and practical engagement with how humans experience, understand and interact with the world. From the beginning, Goldsmiths has celebrated difference.

THE GOLDSMITHS JOURNEY

The Goldsmiths story starts in 1891 when the Worshipful Company of Goldsmiths (the Goldsmiths Company), one of the principal City Livery Companies, opened a Technical and Recreative Institute at New Cross in South East London, on the site of the former Royal Naval College. The present-day Goldsmiths, University of London remains in the same location.

The original objective of the Institute was “the promotion of the individual skill, general knowledge, health and wellbeing of young men and women belonging to the industrial, working and poorer classes” with its focus on local communities. By 1896 the total number of enrolled students had topped 7,000.

New legislation passed in 1902 gave the then-London County Council significant power over the control of education in London. Unwilling to compete against new institutions that would be funded by the ratepayer, the Goldsmiths Company decided, in 1904, to gift the Institute to the University of London. The then-Goldsmiths’ College was born. The Goldsmiths Company provided ongoing financial support to the new College in its early years and to this day remains a valued and supportive friend to the institution, with continuing representation on our governing body.

From 1904, the activities of the new Goldsmiths’ College were built around a Teacher Training College and a School of Art. In the 1930s, they were joined by an Evening Department of Adult Education. From 1964, the Department of Adult Education began to teach University of London degree courses, starting with a part-time degree in sociology. Subjects that had been taught as part of teacher training turned into degree programmes in their own right, with degrees in psychology and music following shortly after.

All of these activities are recognised in the modern Goldsmiths’ College. Teacher training remains the core activity of our present-day Department of Educational Studies. The School of Art survives as our world-leading Department of Art. Together, they have been joined by 18 other departments as Goldsmiths’ degree-level teaching and research activity have grown significantly over the past 50 years.

In 1988 Goldsmiths became a School of the University of London, and in 1990 we were granted our Royal Charter, becoming responsible for our own destiny under the auspices of our own governing body, Goldsmiths’ Council. Since then, Goldsmiths has continued to forge its own distinctive identity, with creativity as a hallmark.

Academic excellence and imaginative course content combine to make a place where creative minds can thrive and ideas are allowed to grow. Today, our degree programmes and research activities span the arts, humanities, social sciences, cultural studies, computing, business, law and management. Our academics cooperate across disciplines to create exciting new degree programmes and develop novel approaches to research issues. Our interdisciplinary ethos has helped us to become a national leader in many subject areas.

Goldsmiths alumni have made important contributions to our community and beyond, and continue to make an impact on the world. They are part of a remarkable group of people, including some of the world’s great thinkers, advocates, entrepreneurs, artists, musicians and writers.

There are many known names such as James Blake, Julian Clary, Bernardine Evaristo, Steve McQueen and Bridget Riley.

Many more who left recently are making their mark now, including Sophie Ward, longlisted for the 2020 Man Booker Prize; Poet and Sunday Times Young Writer of the Year Raymond Antrobus; Turner Prize winner Lawrence Abu Hamdan; Editor-in-Chief of gal-dem Charlie Brinkhurst-Cuff; Composer and Ivor Novello Award winner Robin Haigh; and Hadeel Ayoub, who has developed a smart glove that translates hand gestures into speech and text.

Our talented alumni will continue to inspire through their contributions to the arts, education, technology, business, politics and more.

GOLDSMITHS IN 2020

Building on this rich legacy is at the heart of our strategy, which is summarised below. In this part of the report, we look at our performance during the year against our strategic objectives through the lens of our key strategic themes.

Full details of Goldsmiths' Strategic Plan can be found at www.gold.ac.uk/strategy

Our mission is to offer a transformative experience, generating knowledge and stimulating self-discovery through creative, radical and intellectually rigorous thinking and practice.

Goldsmiths' values underpin this mission:

- Achieving academic excellence
- Radical and innovative thinking
- Respecting the individual
- Promoting access and diversity
- Supporting our students and staff
- Creating change, locally and globally

Our strategy identifies four overarching objectives which are underpinned by seven strategic themes.

Overarching Strategic Objectives

- Shape our portfolio of academic programmes and range of research to build on Goldsmiths' reputation as relevant, challenging and distinctive
- Respond to the full range of students' needs and expectations through innovative delivery of excellent teaching and learning and everything that supports it
- Equip graduates with the flexibility, skills and confidence needed to achieve their ambitions and aspire to make a difference to the world around them
- Support research excellence that addresses local, national and global challenges

Strategic Themes

To provide structure for our work towards these objectives, a series of strategic themes have been identified.

- Shaping our distinctive academic profile
- Enhancing our teaching and learning
- Making a difference through our research and knowledge exchange
- Strengthening our international relationships and profile
- Civic engagement for mutual benefit: active partnership with our community
- Supporting the Goldsmiths community of students, staff and alumni
- Building an efficient and effective infrastructure

1. SHAPING OUR DISTINCTIVE ACADEMIC PROFILE

We have continued to develop distinctive new programmes, both on and off-campus, which are aligned to our research expertise and clear student demand. Consideration is given to the ways in which a programme relates to disciplinary and inter-disciplinary developments and presents contemporary and topical issues in relation to real-world learning and employability options.

Subject areas and titles are encouraged to reflect these ambitions and balance distinctiveness with visibility and global relevance. Proposals are supported to ensure they reflect our commitment to our access and participation plan, five key elements of our Learning, Teaching and Assessment Strategy (see Strategic Theme 2, below) and feedback from students on demand. Finally, proposers are encouraged to consider how theory, research and practice are built into developments and where professional accreditation can be considered.

Collaboration with University of London (UoL) Worldwide has facilitated the development of two new distance learning programmes which will offer students across the globe the chance to experience our distinctive curriculum and pedagogic practice. The BSc in Computer Science (launched April 2019) has already exceeded its five-year target in two years. The MSc in Data Science (launched April 2020) has also greatly exceeded its first-year recruitment target with over 3,000 enrolled students across both programmes.

Our successful partnership with University of London Worldwide has resulted in further developments being planned. Using Masters-level teaching of Data Science as a core, our new pathways will allow students to use these skills to explore the subjects of Artificial Intelligence and Machine Learning, Financial Technologies, Data Science for Economics, Marketing, Behavioural Science and Computational Biology – with students studying either by distance learning with the University of London or through face-to-face teaching at Goldsmiths.

Following a successful first intake of students, our new Department of Law, within our School of Culture and Society, has again achieved intake targets set for our second entry cohort. Our distinctive approach to the socio-political framing of Law has resulted in two new LLB pathways being developed, giving students the option to specialise in human rights and criminal justice or politics and democracy. Staff and student numbers are again forecast to grow and plans for our first postgraduate offering are being made.

Innovation in new academic programmes

New programmes launched in September 2019

BA Economics with Marketing
 BMus/BSc Electronic Music, Computing and Technology
 LLB Law
 MA Global Political Economy
 MA/MSc Virtual Reality
 MSc Games Programming
 MSc User Experience Engineering

New programmes launched in April and September 2020

BSc Computing
 LLB Law with Criminal Justice & Human Rights
 MA Black British History
 MSc Data Science Distance Learning with University of London Worldwide (launched April 2020)

New programmes approved for launch in September 2021

BA Integrated Degree in Music with Foundation Year
 BA Promotional Media
 BA Social and Community Work
 LLB Law with Politics and Human Rights
 MA Art and Ecology
 MA Ecology, Culture and Society
 MA Music Audio-visual Culture
 MA Sociology with Pathways
 Postgraduate Diploma in Art
 Specialist Pathways in BA History

2. ENHANCING OUR TEACHING AND LEARNING

Goldsmiths' diverse student body is wide-ranging in terms of age, nationality, educational, occupational and social backgrounds. Goldsmiths aims to support all students effectively, regardless of background, to enable them to participate in knowledge production. This means equipping them with skills, knowledge and experience that will help them to make sense of the world and find the work they want in a fast-changing environment.

The College's Learning, Teaching and Assessment Strategy (LTAS) drives Goldsmiths' work in this regard and the associated action plan sets our goals. The LTAS coalesces around five aims:

- Liberate our degrees
- Develop research-teaching synergies
- Ensure access, inclusion and robust learning support for all our students
- Extend our reach
- Enhance graduate futures

These aims prioritise pedagogical developments and are monitored on an annual basis by the Learning Teaching and Enhancement Committee which reports to the College's Academic Board.

Goldsmiths monitors student feedback at institution-wide and academic department level and compares performance to competitor institutions through the National Student Survey (NSS), national and international league tables, the UK Experience Survey, the Postgraduate Taught Experience Survey and the Postgraduate Research Experience Survey. The College's Academic Board reports to Goldsmiths' Council on performance in these areas. Alongside Student to Staff ratios, overall satisfaction in the NSS is one of the Key Performance Indicators monitored by Goldsmiths' Council on an annual basis.

In 2020, overall satisfaction decreased by 13.4 percentage points, to 66.9%. We saw decreased satisfaction across each of the core question themes, with particular decreases in learning community (-9.2%), academic support (-9.2%), and organisation and management (-8.1%). An Improvement Strategy is being put in place to address these declines in student satisfaction.

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
NSS institution score	83%	83%	80%	78%	80%	67%

Overall NSS performance masks a broad range of reported experience at individual academic department level, with some higher-performing departments alongside those facing greater challenges. The College has refined the approach to NSS action planning at departmental level. A review of the manner in which the student voice is captured and fed back to the student population is also under way. Our Student to Staff ratio has decreased in 2019-20 having already been low by sector standards.

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Institutional Student to Staff Ratio	13.8	14.1	14.7	15.2	15.0	14.4

During the year, we appointed to a new role of Dean of Students who is supporting the work of academic departments and Professional Services teams in key priorities to improve the student experience and is working to enhance the partnership between the College and the Students' Union.

Ongoing strategic priorities include:

- Improving student retention rates. Detailed departmental level work is under way to identify and address the key drivers of student non-continuation. This has resulted in changes to our recruitment strategy for undergraduate foundation years, additional teaching support in areas of identified need and also makes reference to our wider strategic work around the attainment gap.

	Year of entry			
	2014-15	2015-16	2016-17	2017-18
Non-continuation after first year of entry: UK-domiciled first degree entrants	10.0%	12.6%	12.4%	12.7%

- Our Digital Recording project to enable a well-supported, College-wide approach to digital recording of teaching sessions and materials. This is a response to student and staff demand and will enable us to be more inclusive in our teaching practices. The project launched in January 2020 with over 50 staff registering interest as early adopters for the Learn.gold Recording provision. Uptake by staff and students increased substantially as a response to Covid-19, with a peak of over 4,800 views from 1,200 unique viewers (see Figure 1, below).

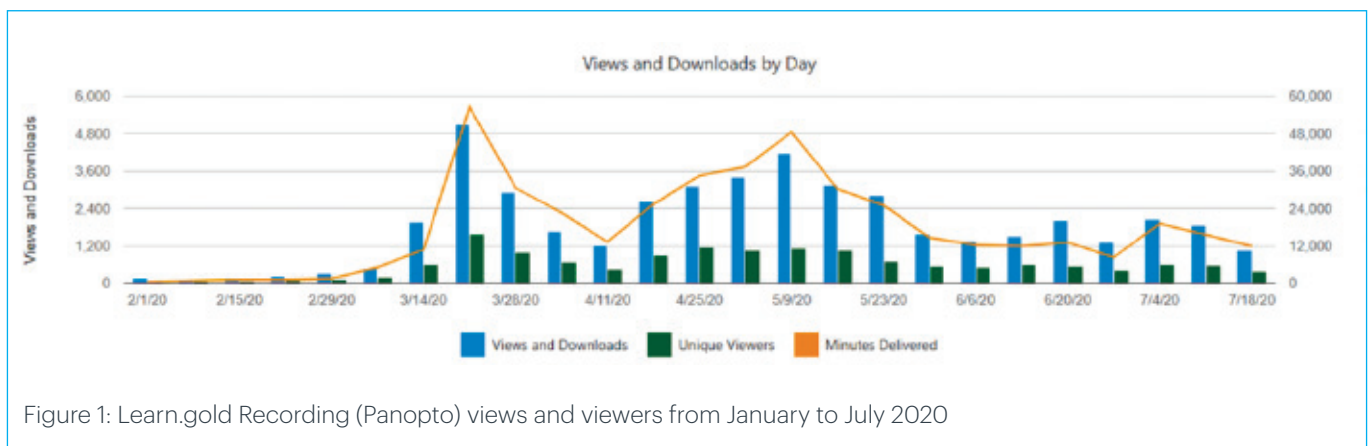


Figure 1: Learn.gold Recording (Panopto) views and viewers from January to July 2020

The impact of Covid-19

As a response to the Covid-19 pandemic, Goldsmiths moved to online learning, teaching and assessment at very short notice. This was a challenging shift undertaken rapidly in line with experiences across the sector. To support this change at Goldsmiths the Teaching and Learning Innovation Centre (TaLIC) developed a range of significant support for academic staff. This included creating a suite of support hosted on our online learning portal Learn.gold, including a highly successful online course and peer-to-peer resources called Quick Wins. A high proportion of Goldsmiths' teaching staff joined the Quick Wins community which has continued to thrive. In addition, TaLIC responded to the move to a blended teaching model, supporting staff for both in-person and online approaches in a range of ways including through daily online drop-ins, workshops on Flexible Learning, Learn.gold Recording, and Microsoft Teams for teaching as well as developing further online support and materials, including an online course on Flexible Learning. The level of engagement with these online courses, drop-ins and workshops has been high in comparison to engagement with such training in previous years.

3. MAKING A DIFFERENCE THROUGH OUR RESEARCH AND KNOWLEDGE EXCHANGE

Goldsmiths' research spans the arts, humanities, social sciences and computing. The 2014 Research Excellence Framework (REF) rated almost three-quarters of research at Goldsmiths as world leading (4*) or internationally excellent (3*). The nature of our disciplines, the mix of theory and practice and interdisciplinarity and the single-campus, connected nature of our student and staff combine to create an academic community that is known for linking up new ideas across disciplines to create new degree programmes and imaginative approaches to research and practice. This interdisciplinary ethos has helped Goldsmiths to develop a reputation in fields such as creative computing, practice-based research, creative and cultural studies where focus is on understanding ourselves and others, how we interact with new technologies and social justice.

Research themes

Over the year we have continued to invest in our four research themes which aggregate and consolidate our research excellence.

- Social and Economic Justice
- Technologies, Worlds and Politics
- Minds, Bodies and Society
- Invention, Creativity and Experience

An example of Goldsmiths research which spans the four research themes is shown below:

Immersive, Innovative, and Interactive Experience (IIIE): A Technology Driven London-Shanghai Partnership in Mixed Realities and Performing Arts Dr Xueni Pan (Computing). AHRC award.

This interdisciplinary, collaborative project facilitates UK-Shanghai theatre and performance collaborations, with a focus on immersive and mixed reality experiences. The project is led by Dr Xueni Pan in Computing and involves colleagues from Psychology (Professor Jonathan Freeman), Computing (Dr Marco Gillies and Professor William Latham), and also the Confucius Institute (Ms Annie Guo). The project brings together, through curated networking, investor showcases and partnership building events, creative IP companies, leading arts companies, academics and technical partners in the UK and Shanghai. The project is an important element of the College's strategic partnership work with Chinese cultural institutions and technology companies. It will lead to new collaborative research projects, informed by a better understanding of the needs of the creative industries in both the UK and China.

Global Challenge Research Fund (GCRF)

We have also invested in GCRF research, including projects from:

Sobia Ahmad Kaker	Uncertainty and Insecurity of Tenure: Developing Infrastructures of Care and Resistance in Islamabad, Pakistan
Henrike Donner	A Room of One's Own: Challenging Poor Women's Marginalisation in Urban Housing Regimes
Rachel Ibreck	Justice Networks in Eastern Africa
Charlotte Joy	Usable pasts and heritage futures in Senegal
Katrina Linnell	Advancement of female STEM (Science, Technology, Economics and Mathematics) participation in Rwandan secondary schools
Martin Webb	JAANKAAR (Knowledgeable) – Leveraging Everyday Innovations in Governance and Accountability

The project led by Dr Henrike Donner, *A Room of One's Own: Challenging Poor Women's Marginalisation in Urban Housing Regimes*, is a good example of the type of GCRF research we support. The project considered the sources of resilience for poor women living in marginal and deprived Indian urban areas. It looked at their access to housing and the struggle over their rights to resource and secure housing. It involved undertaking primary research in various contexts, establishing collaborative relations between academics and NGOs concerned with housing issues, identifying and involving stakeholders including policy makers and legal representatives, and devising a focused perspective on further research and intervention nationally. The project investigated gendered aspects of the urban housing crisis and supported a national network, bringing together researchers, architects and activists from Kolkata, Mumbai and Delhi. In addition, the project helped establish spaces for female residents in three slum areas in Kolkata to meet, share advice, exchange experiences and mobilise.

External grant capture

Some illustrative examples of the externally funded grant successes we have are:

Dejan Djokic History	Tito's Last Soldiers: 14th Military Police Battalion and the end of Yugoslavia	Leverhulme Trust £54,554
Marco Gillies Computing	4i: Immersive Interaction design for Indie developers with Interactive machine	EPSRC £503,848
Michaela Benson Sociology	Britain and its overseas citizens: from decolonisation to Brexit	British Academy £131,587

Figures on external research grants and contracts are shown in the table below. Evidence from our researchers suggests that a number of factors in 2019-20 impacted on their ability to seek and secure external research funding, including the disruption created by the Covid-19 pandemic and uncertainties over the continuation of European sources of funding (which represents a significant source of the funding for the College).

	2015-16 £'000	2016-17 £'000	2017-18 £'000	2018-19 £'000	2019-20 £'000
Research grants and contracts	5,227	4,603	4,089	6,126	4,837
Number of academics on teaching and research contracts (FTE basis)	380	385	390.6	411.9	412.9
Research income per relevant academic	£13,760	£11,960	£10,470	£14,873	£11,715

While the challenges posed by the Covid-19 pandemic have undoubtedly impacted on the progress of some of our research projects, it has also sparked a number of new research initiatives, aimed at mitigating some of the damage the pandemic is having on our social, economic and cultural well-being. Two examples of projects that were successful in securing external funding are:

Cultural policy during and after the pandemic: international insights into the recovery of the performing arts sector.

Dr Cecilia Dinardi, ICCE. British Academy award

Following Covid-19, the cultural sector and performing artists have been hit particularly hard due to venue closures, restrictions in public space and the fact that many cannot perform to digital audiences. While public emergency funding helps cultural workers and arts organisations, its scope and impact varies internationally across socio-economic and institutional contexts as well as different approaches to lockdown. Through in-depth interviews, focus groups and policy workshops with performing artists in the UK and Argentina, together with secondary analysis of ongoing surveys, this research project is examining how the pandemic is affecting cultural workers from a sociological perspective. By discussing the work strategies that 80 musicians, actors, dancers and circus artists are now deploying, it will make recommendations about how cultural policy can best support the recovery of the sector.

The application of motion-capture technology in telematics and virtual dance performance through a framework for long-distance remote communication.

Dr Daniel Strutt, Media, Communications and Cultural Studies. UKRI award

In the current situation of quarantine and lockdown, many dancers and dance companies are turning to online video broadcast platforms like YouTube, Facebook and Zoom to share dance performance, teach classes and to generally continue with some form of practical engagement with workers, students and audiences. However, these platforms are limited by being two-dimensional and by offering limited options for feedback and real-time interaction. This research project will deliver a framework that allows dancers, dance institutions and creative practitioners to work together remotely yet in real-time, to collaboratively develop new forms of movement interaction while being isolated in different places due to measures taken during the Covid-19 pandemic. In the immediate short-term, it will provide a viable alternative for much of the content of the more video-oriented platforms currently used. In the longer term, it will offer a data-driven perspective to broaden and extend the modes of engagement with choreography in novel ways, including the re-imagining of dance movement data in more abstract forms in virtual spaces and architectures.

In addition, we continue to grow our short course portfolio and our business growth programmes have also been developing quickly. Both illustrate some of the contributions we make locally as part of our role as a civic university. Local residents often take advantage of our short course offering, taking courses to learn a new skill or develop a particular personal interest. Similarly, we have increasingly been working with small and medium sized businesses (SMEs), many of which are based locally. Through the research insights of our staff, together with the bootcamps, training and mentoring that we provide, we have worked with SMEs to help them develop new products or services and grow their businesses. Following the pandemic, the focus of this work was increasingly on helping these businesses to develop the resilience they need to cope with the recession.

4. STRENGTHENING OUR INTERNATIONAL RELATIONSHIPS AND PROFILE

We extend our international activities in line with our institutional strategic objective to continue to develop Goldsmiths as an ambitious and inclusive global university.

Increased international awareness of Goldsmiths' profile, research, academic programmes and distinctive pedagogy have helped to sustain our growth in international student numbers. International fee income has increased year-on-year, rising from £26.7 million in 2017-18 to £31.3 million in 2018-19, to £34.3 million in 2019-20.

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Proportion of non-EU international students*	17.5%	17.6%	16.5%	17.4%	18.5%	20.7%

*as percentage of total student FTE

Student demand for Go Abroad activity has remained strong, with high levels of engagement with the suite of international opportunities, but Covid-19 negatively impacted our ability to physically send students overseas last year and our 2020 summer placements were suspended. Notwithstanding these challenges we supported 62 students to undertake an international placement last year and we successfully piloted a programme of virtual placements and redirected funding towards this activity.

We funded 30 students to undertake a virtual placement, of whom 11 were classified as Widening Participation students. Participant feedback has been extremely positive with the majority reporting professional, academic and personal benefits. We will seek to embed virtual mobility alongside short mobility as part of our longer-term strategy and in support of Widening Participation goals.

Last year we also secured an additional 319,000 euros of Erasmus Plus funding in the last funding round of the current programme which, together with existing Erasmus project funding, will support students going abroad in the years through to 2022-23.

We continue to work closely with our largest teaching partner, LASALLE College of the Arts in Singapore, and have strongly supported them in seeking degree awarding powers which would create a significant legacy to what has been achieved in partnership.

The International Development and Academic Partnerships team (IDAP) have invested more time and resource into the development of new collaborations with partners who share Goldsmiths' values and ambitions and we anticipate several new collaborations moving through our approval and governance structures in the coming months.

These include:

- The development of two validation partnerships which are due to start in September 2021 in Croatia and Greece and bring in specialist expertise from our Institute of Management Studies and Departments of Computing, Design and Music
- A raft of new articulation arrangements to facilitate the progression of talented students to our campus in London
- New transnational education projects under development elsewhere in Europe, East and South East Asia

Goldsmiths' BSc Computer Science and MSc Data Science programmes, delivered in partnership with the University of London Worldwide, have attracted interest from institutions across the globe to offer both programmes as a recognised teaching centre or as a parallel degree. There are now teaching centres running our programmes in Singapore, Pakistan and Malta with institutions in Russia, Nigeria and Malaysia likely to start in the next year.

5. CIVIC ENGAGEMENT FOR MUTUAL BENEFIT: ACTIVE PARTNERSHIP WITH OUR COMMUNITY

Goldsmiths is a civic university committed to active engagement with our local communities within south and east London, as well as London as a whole, in a spirit of openness, collaboration and connection. Given our origins as a technical college for the local working classes and our location in Lewisham, it is not surprising that Goldsmiths has a long history of community engagement. Hundreds of Goldsmiths' students and staff now volunteer within the community for local charities and voluntary organisations like Action for Refugees in Lewisham and New Cross Learning and in the local community library. Our community is also involved in fundraising and supporting local charities.

We are acutely aware that the College is located in an area of relatively high deprivation. It is also a diverse area, with people from BME backgrounds accounting for the majority of the population, and an area of change. Over the period 2016-41 the population of New Cross and Deptford is projected to increase by 30,000, an increase of over 50%. This combination of an area of high deprivation under pressure for growth and regeneration means that the role of Goldsmiths will become even more important in the future for its local community.

Through a memorandum of understanding with Lewisham Council, we are taking a lead role in regional enterprise development by encouraging support for start-ups, particularly linked to the Creative sector and leveraging the skills and know-how of the University. Goldsmiths also engaged actively with the Lewisham Poverty Commission, which looks for innovative ways to make a real difference to the lives of people affected by poverty, seeking the views of local residents and identifying best practice from other councils. We aim to build and enhance these partnerships and activities as part of our new Civic Engagement Strategy and forthcoming Civic University Agreement (CUA).

To help support this work, we commissioned two external evaluations in 2019-20, in order to help us assess the impacts we are having locally and regionally. The first, a regional impact study, identified many of the needs of the local area and assessed how Goldsmiths addresses these needs to provide benefit.

The second examined the extent and impact of our community engagement strategy, and recommended ways in which these engagements might be strengthened.

The externally commissioned regional impact study concluded that:

“Whether directly as an employer, through its relationships with local businesses, from the contribution of its students, the wider cultural impact of its activities, or the collaborative partnership role in local economic development, Goldsmiths brings significant positive benefits to its local community. These benefits are long established but are growing. Goldsmiths has a critical role to play in the future social, cultural and economic development of Lewisham Borough and of New Cross and Deptford in particular.”

The second report examined what our local community wants from Goldsmiths. It found:

- On a personal level, residents are most keen to use the facilities – the cinema, gallery, library – or to attend events.
- On a community level they consider that Goldsmiths’ most important role is in school liaison and education and skills delivery to the local population.
- In terms of its broader civic role, resident respondents are most likely to think that Goldsmiths: cares about the welfare of its students; has a beneficial impact on the local economy; and students are good neighbours.

6. SUPPORTING THE GOLDSMITHS COMMUNITY OF STUDENTS, STAFF AND ALUMNI

The pandemic and move into lockdown in March presented an unprecedented challenge in terms of ensuring the ongoing support of our student and staff community. For the first time since the Second World War, there was a period where there was no face to face teaching taking place on campus. By July blended learning was established and we have maintained this up until the publication of these statements.

While it is tempting to consider our students as digital natives who live their lives online, the reality is different and we are a diverse community, studying different disciplines which require different access to different levels of equipment. Students who returned to their family homes may have had to share devices with siblings who were also required to study at home. Our commuter students may have found their homes busier with family members working and studying there.

In response to these challenges Goldsmiths set up a centralised Online Learning Application Fund where students could apply for a contribution of up to £300 towards a laptop. Students self-certified that they met the criteria applicable to the College’s Student Hardship Fund and then either received the monies following submission

of a receipt or upfront. Some individual programmes provided basic laptops for their cohorts.

We also included the opportunity to apply for a contribution towards broadband for up to six months where a new contract had been entered into as a result of the transfer to online learning.

In total, some £85,000 was distributed between April and May, contributing towards a basic laptop, broadband or both for over 200 students. These funds were raised from philanthropic giving, predominately from our alumni community, and were additional to the College’s Student Hardship Fund.

For staff, our network of trained Mental Health First Aiders has continued to be available while the vast majority of staff have worked remotely with the service being adapted to ensure both staff and students can continue to be supported.

Throughout the Summer term we invested in additional hours for our internal Staff Counsellor to ensure more staff could be seen without delay. As a result, some staff were able to be seen for more than the usual six sessions offered. The standalone programme of activities under the umbrella of Staff Wellbeing engaged 219 staff members remotely during the Summer term. This included our fitness classes, Tai Chi and the staff choir. Staff were also offered a bespoke, interactive learning webinar, delivered by Kenton Lewis Associates around the topic of How to Maintain a Work-life Balance.

The College continues to maintain an in-depth relationship with its alumni community. In 2019-20, alumni voluntarily contributed 591 hours to supporting Goldsmiths, and we successfully placed alumni mentors with 20 students as part of the mentoring scheme. We relaunched Goldsmiths Connect, an online platform which enables alumni and students to stay connected and provide and ask for career support in May 2020. By the end of July, we had 1,715 users registered. An engagement plan to ensure users use the platform and new users register has been developed for 2020-21.

7. BUILDING AN EFFICIENT AND EFFECTIVE INFRASTRUCTURE

As in previous years, our Information Technology and Information Systems, Estates and Facilities, and Finance teams have continued to focus on initiatives to enhance our infrastructure.

Over the past couple of years, our IT strategy has increasingly focused on our business systems and digital capabilities, having largely completed the first phase of our Modernising Infrastructure project which was a detailed programme of work focusing on network infrastructure, security and resilience. Our Business System Strategy is now concentrated on maintenance and renewal plans identified for all of our critical systems.

These Business Systems were tested to their capacity to make remote teaching and working effective after lockdown due to Covid-19. They have coped very well and provided resilience at such an important and critical time.

Underpinning these IT and Estates initiatives is the need to generate sufficient cash to support them. Financial performance is discussed elsewhere in this report on pages 46 to 73. Continued investment will prove to be challenging for us along with many other institutions and companies.

The College's financial performance and cash-generation have been under pressure throughout the relevant period with the situation exacerbated by Covid-19. We envisage this will continue to be the case throughout much, if not all, of the 2020-21 financial year. We experienced a significant reduction in cash balances by the end of the year as shown below. We are in discussion with our lenders for medium-term liquidity support while we cope with the impact of the pandemic and before any significant recovery is seen from September 2021.

	2015-16 £'000	2016-17 £'000	2017-18 £'000	2018-19 £'000	2019-20 £'000
Net cash inflow from operating activities	4,256	10,929	11,009	9,801	1,923
As a percentage of income	4.1%	9.5%	8.7%	7.4%	1.5%
Cash and cash equivalents at the end of year	34,596	29,939	26,676	29,225	22,059





OUR OPERATING STRUCTURE

Goldsmiths' formal governance structures, including the roles of Council, Academic Board and their respective committees, are explained in detail in the Corporate Governance and Internal Control section on pages 30-34.

Throughout the relevant period the academic life of the College for students has been centered around 18 academic departments.

Professional Services are overseen by the Registrar and Secretary and the Director of Finance. The Registrar and Secretary is responsible for all student-facing services as well as governance, HR, and legal and marketing activities. The Director of Finance oversees Finance, Estates & Facilities, and IT & Information Services.

During the 2019-20 academic year our academic structure was as follows:

School	School of Arts and Humanities	School of Culture and Society	School of Professional Studies, Science and Technology
Head of School	Professor Elisabeth Hill	Professor David Oswell	Professor Mark d'Inverno
Departments	<ul style="list-style-type: none"> ▪ Art ▪ Design ▪ English & Creative Writing <i>(formerly English & Comparative Literature)</i> ▪ History ▪ Music ▪ Theatre & Performance 	<ul style="list-style-type: none"> ▪ Anthropology ▪ Law ▪ Media, Communications and Cultural Studies ▪ Politics & International Relations ▪ Sociology ▪ Visual Cultures 	<ul style="list-style-type: none"> ▪ Computing ▪ Educational Studies ▪ Institute for Creative and Cultural Entrepreneurship (ICCE) ▪ Institute of Management Studies (IMS) ▪ Psychology ▪ Social, Therapeutic and Community Studies (STaCS)

These departments are home to a diverse range of research centres. In addition, we have a number of central academic functions that support the development of Goldsmiths' teaching and research activities:

- Teaching and Learning Innovation Centre
- Graduate School
- Confucius Institute
- Research & Enterprise
- International Development and Academic Partnerships

Students and staff are supported by the following Professional Services departments:

- Student Experience (including Student Services, Student Administration, Student Recruitment, Careers Service, Library, and the Centre for Academic Language & Literacies (*formerly English Language Centre*))
- Development and Alumni Relations
- Governance & Legal Services
- Estates & Facilities
- Information Technology & Information Services (IT&IS)
- Strategic Planning & Projects
- Finance
- Human Resources
- Marketing & Communications

The Senior Management Team (SMT) provides overall operational leadership to the College, while remaining accountable to Council and its various Committees. During the year under review the SMT comprised:

- **Warden**
Professor Frances Corner
- **Deputy Warden; Pro-Warden for Learning, Teaching and Enhancement; and Head of the School of Arts and Humanities**
Professor Elisabeth Hill
- **Pro-Warden for Research & Enterprise and Head of the School of Culture and Society**
Professor David Oswell
- **Pro-Warden for International and Head of the School of Professional Studies, Science and Technology**
Professor Mark d'Inverno
- **Registrar and Secretary**
Helen Watson
- **Interim Director of Finance**
Nirmal Borkhataria
- **Director of Human Resources**
Carol Ford

OUR FINANCES AND RESOURCES

We are a charity and we recognise that our primary role is to fulfil our public benefit obligations which are described in more detail on pages 30-31. We have in recent years reported small deficits, however, we generated moderate positive net cash inflow from operating activities. As a result of a fall in student numbers against budget and then the impact of Covid-19, our underlying deficit has risen to £14.3 million and cash balances fell from £29.2 million to £22.1 million. In the past we had been able to generate cash inflows in order to:

- Build an investment fund to ensure the long-term survival of Goldsmiths.
- Create a sufficient financial cushion to withstand financial shocks.
- Maintain compliance with the covenants attached to our external bank debt and comply with other regulatory requirements.

This year, along with the wider economy, we have experienced a financial shock from Covid-19, with a moderate impact to the end of 2019-20 but a very large impact anticipated for the current year 2020-21, as shown in the cash flow and cash balances above. We are at risk of breaching our loan covenants, and are maintaining a dialogue with our lenders with a view to mitigating the impact on liquidity and loan covenant compliance until a full recovery can be made.

2019-20 Financial headlines

We present below a high-level overview of where Goldsmiths gets its income from and how that income is spent, together with a review of our financial performance in the 2019-20 financial year.

In summary, though, the 2019-20 financial headlines are as follows:

- The reported financial performance for the year is distorted by a credit of £16.9 million in connection with the 2018 valuation of the USS pension scheme (compared to a charge of £23.7 million in 2019). As shown in the table below we have removed this from our analysis of underlying performance.
- Total income fell by 2.0% to £130.1 million, largely driven by the impact of Covid-19 on our student accommodation, resulting in refunds of summer-term accommodation fees totalling £2.3 million following the release of students from their accommodation contracts.
- Excluding the USS pension credit discussed above, total expenditure increased by 8.5% to £147.1 million

largely as a result of staff cost growth. This included increases in staff numbers approved in 2018-19 in anticipation of student number growth that did not materialise, as well as general rises in pay levels and an increase in pension on-costs resulting from increases in the USS pension contributions.

- The overall reported deficit is £0.1 million. This compares with a deficit of £26.3 million in 2018-19. However, the surplus for 2019-20 benefits from the one-off USS pension credit of £16.9 million described above, whereas the deficit for 2018-19 had been increased by £23.7 million as a result of a one-off USS pension charge. These one-off pension accounting movements, which have no direct cash impact, materially distort our reported position and are removed in the analysis of underlying performance below.
- As demonstrated in the table below, the underlying deficit position, after adjusting for the USS pension adjustments and other one-off items, has worsened significantly.

	2019-20 £ million	2018-19 £ million
(Deficit)	(0.1)	(26.3)
USS charge/(credit)	(16.9)	23.7
McCloud LPFA pension charge	-	0.6
Staff restructuring costs (VSS)	2.7	-
(Release)/charge of one-off net costs in respect of third party supplier contracts	-	(0.5)
Underlying deficit	(14.3)	(2.5)

The net cash inflow from operating activities was £1.9 million (2019: £9.8 million).

- After taking into account: (i) the College's ongoing estates and IT capital expenditure programme; and (ii) the costs of servicing debt and finance leases, total cash balances (including cash held in deposit accounts) as at 31 July 2020 were £22.1 million, £7.1 million lower than at the same point in 2019.
- Net assets decreased from £64.5 million to £49.7 million due principally to the underlying deficit, as the £16.9 million USS pension provision reduction was largely offset by a £14.7 million actuarial loss in the LPFA pension scheme.

These headlines are explored in more detail in the following sections.

Income

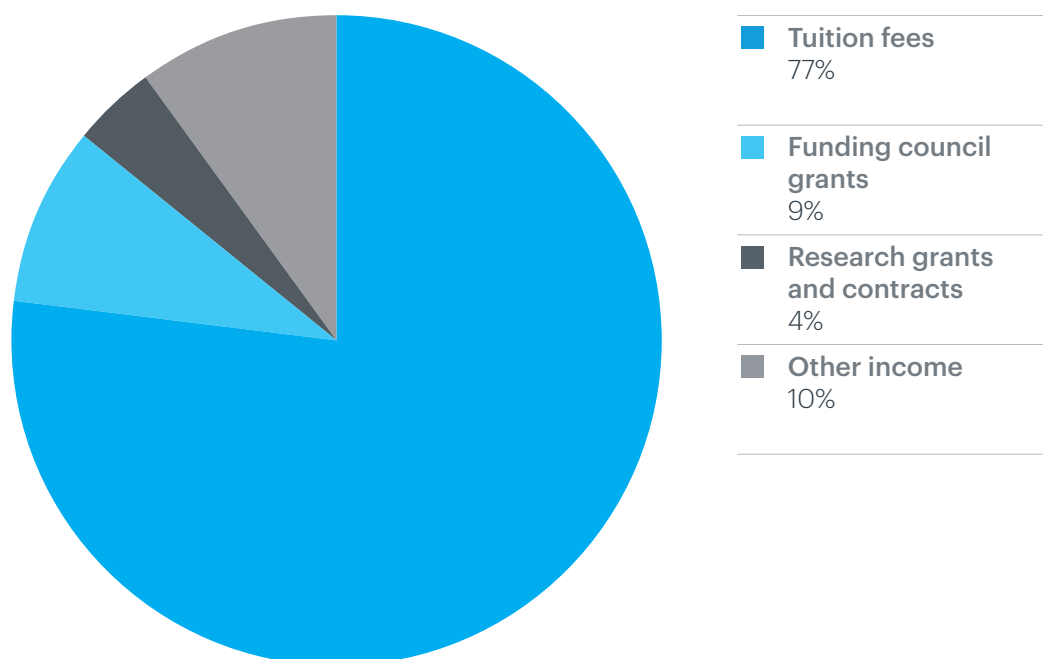
In common with all UK universities, our funding structure has changed significantly over the past 15 years.

In that time, our primary income source has shifted from government grants (which accounted for just over half of income in 2005-06) to student tuition fees (which accounted for 77% of income in 2019-20). This has had the effect of shifting our income from fairly stable sources to a far more market-driven (and therefore potentially volatile) revenue base where we are competing with other universities for student tuition fees.

Our main income sources are as follows:

- Tuition fees
- Funding body grants
- Research grants and contracts
- Other income

2019-20 Sources of income



Income: Tuition fees

The majority of our income (77%) is derived from tuition fees. Of this, just under half is in respect of Home/EU undergraduate tuition fees. From 2017-18 these fees have been fixed at £9,250 per annum. Accordingly, the only way to grow our largest single source of income in order to cover rising costs had been to increase home/EU undergraduate student numbers, which have increased around from 4,000 FTE in 2012-13 to 5,450 in 2019-20. In more recent years, however, our home/EU undergraduate intakes have been in decline and despite the effect of students continuing from larger cohorts in prior years, overall numbers have also now begun to fall. As a result, in recent years we have been placing more emphasis on postgraduate recruitment, particularly of international students, with some success. In the last two years our total income from international students has increased by 27.5% from £26.9 million to £34.3 million.

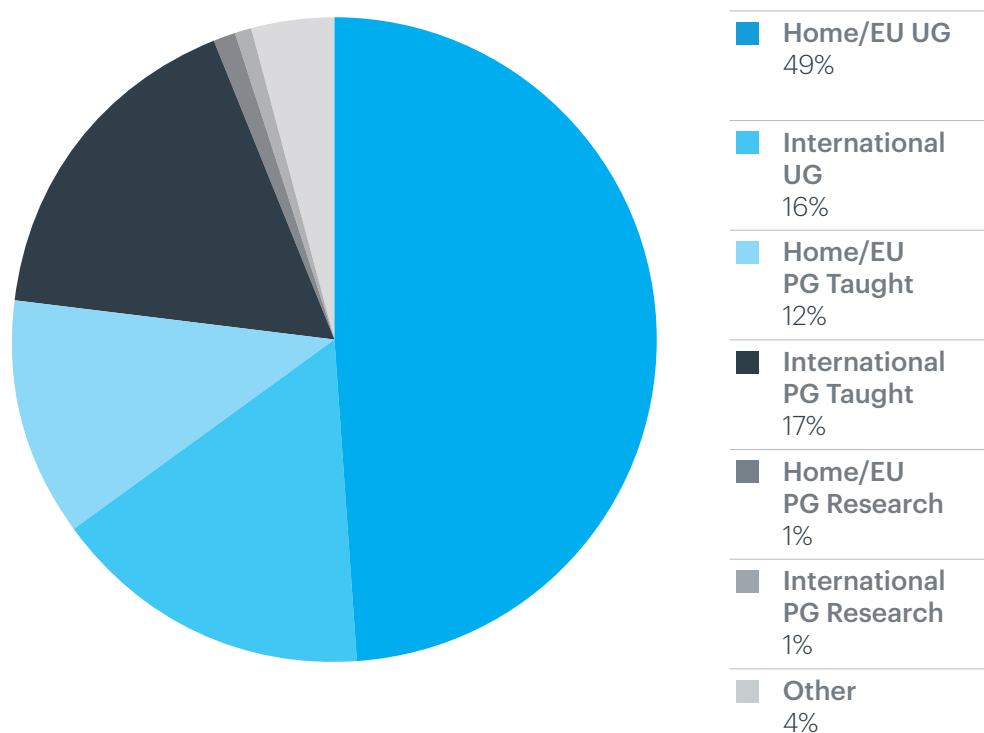
Following the 2017 election, the Government launched a Post-18 Education and Funding review (the so-called 'Augar Review') which reported in May 2019. This recommended fees of £7,500 for Home/EU undergraduates and a reallocation of teaching grant to 'higher value' subjects. Given current political uncertainty it is not currently clear when, or even if, these recommendations will be implemented.

It is Goldsmiths' policy to fix undergraduate fees for each student for the duration of their study.

Most other tuition fees are not regulated in the same way and are generally subject to annual inflationary increases. Postgraduate taught courses (such as MSc and MA degrees) accounted for 29% of tuition fee income in 2019-20.

One of the major differences between undergraduate and postgraduate taught programmes is the duration of study. Undergraduate recruitment typically results in three years of income while postgraduate taught courses largely result in only one year of income, even though recruitment costs for both types of student are similar. Our retention rate for undergraduate students, which is lower than the sector average, is therefore a metric that is tracked closely by SMT.

2019-20 Tuition fees breakdown



Note: In the analysis in note 1 to the financial statements, part-time students have been shown as a separate category. In this chart they have been reflected within each programme type.

Funding Council grants

Grant funding is still received from the Office for Students in respect of some teaching activity and Research England (part of UKRI) in respect of research, and accounted for 9% of income in 2019-20. Research England research grant funding, also known as QR (Quality-Related) funding, is allocated to institutions in accordance with the results of the 2014 Research Excellence Framework (REF) exercise. The 2021 REF exercise is currently under way, with a census date of 31 July 2020 and outcomes due to be published from April 2022. The impact on institutional QR allocations will take effect from 2022-23. A small amount of capital grant funding is also still received from these government bodies, although this now constitutes less than 1% of income.

Research grants and contracts

In addition to the Research England block grant QR funding, Goldsmiths' academics also submit grant applications to UKRI and European Research Councils, as well as other charitable and commercial bodies, in order to fund specific research projects. The funding environment is increasingly competitive, with government research priorities typically favouring the so-called STEM subjects (Science, Technology, Engineering and Mathematics) rather than the Arts, Humanities and Social Sciences, areas in which Goldsmiths specialises. Over the past three years we have seen a significant decline in EU-funded grant activity.

Other income

Other income comprises primarily fees from student accommodation and catering activities. In addition, we receive small amounts of income in respect of conferences and other events hosted on our campus.

Income performance in 2019-20

In 2019-20, income fell by 2.0% to £130.1 million (from £132.8 million), reflecting:

- An increase in tuition fee income, which increased by 1.0% from £99.2 million to £100.2 million. This modest increase was, however, insufficient to offset reductions in other income and increases in staff costs.
- A slight increase in government funding body grant income of £0.3 million.
- A reduction in research grant income of £1.3 million from £6.1 million to £4.8 million, driven by projects put on hold during the pandemic, although this was partly offset by a reduction of £0.6 million in expenditure directly associated with research grants.
- A decline in Other Income of £2.6 million, largely related to the refunds to students of summer term accommodation fees.
- A slight reduction in endowment and investment income, with interest rates remaining low and cash balances declining, although this is currently a small income stream for Goldsmiths.

Expenditure

Our expenditure comprises:

- Staff costs
- Non-staff operating costs
- Capital expenditure, which is reflected in our Statement of Comprehensive Income and Expenditure as depreciation and amortisation over the life of the assets acquired
- Interest costs

In 2019-20, our staff costs stood at 65.0% of total costs, excluding the effect of the USS pension charge discussed below. This is in excess of the Higher Education sector average, based on the 2018-19 benchmark. It partly reflects the recent insourcing of our cleaning and security services, but also reflects the more staff-intensive nature of some of our teaching. Also, in order to operate, we need all of the administrative infrastructure of any other university, but as a relatively small institution we are less able to generate the full economies of scale from that investment in administrative staff.

Nevertheless, in recent years our underlying staff costs, excluding the impact of insourcing, which resulted in a near-equivalent reduction in other operating expenditure, have been rising faster than our income has grown, leading to underlying deficits that are unsustainable in the medium-term. The College is therefore taking action to reduce its staff costs.

In January 2020 the College launched a voluntary severance scheme (VSS). 89 staff submitted successful applications, at a total cost, including severance payments and legal costs, of £2.7 million. As the majority of these staff left the College between 1 August and 11 December 2020, a provision of £2.3 million was raised and is included in our balance sheet within Other Provisions. The forecast annual saving arising from the scheme, through posts that have not been replaced or have been replaced at lower grades, is £2.6 million for 2020-21 rising to a full-year saving of £3.1 million from 2021-22.

Our people

A narrow balance sheet-focused view of our assets would ignore the massive contribution that our people make to Goldsmiths. They are the very essence of the institution – its uniqueness, its values and its vast intellectual capital. None of this can be readily measured in balance sheet terms, and nor should it be.

Goldsmiths employs 1,465 Full-Time Equivalent staff, including 685 academic FTEs. We are proud of the continuing recognition being won for teaching, professional services, publications, community events, research and social media. Professional development opportunities are open to all colleagues as we aim to be at the forefront of accredited staff development. Our Human Resources Learning and Development Team continue to work closely with academic and professional services colleagues to support ongoing academic and professional development opportunities within the institution.

We are working hard to ensure that Goldsmiths maintains an environment where our staff feel respected, safe and secure. For example, our aim is to embed Equality and Diversity across Goldsmiths and make it a part of everything that we do by working together collaboratively and proactively and we were delighted to launch our renewed Equality and Diversity strategy and plan in the previous financial year to proactively work towards this aim.

Our non-pay operating costs cover all of the remaining costs of running a university including:

- Scholarships and bursaries
- Student accommodation rental costs on leased or nominated halls of residence
- Security, cleaning and maintenance costs (although the majority of cleaning provision was insourced on 1 May 2019, such that these costs form part of staff costs from that date)
- Utilities, such as gas, electricity and water
- Business rates
- Block grant to Goldsmiths Students' Union
- Library materials including hard copy publications and electronic subscriptions
- Catering
- Student placement fees in teaching and social work
- Subscription to the University of London

We aim to ensure strong control of these costs through strong discipline over expenses, procurement compliance and supplier contract management.

Capital investment, depreciation and amortisation

In recent years, the College had increased its level of capital expenditure significantly compared with historical norms. This had been against a backdrop of lower capital grant funding, with increased pressure placed on our operating cash flow. However, to conserve cash, we have reduced the capital expenditure run-rate over the last two years. In 2019-20, spend has also been lower due to the deferral of some projects to future periods and a desire to maintain sustainable cash balances post-Covid-19. For both our Estates and IT infrastructure, a significant proportion of the expenditure has been required to cover the backlog of issues arising from the previous low levels of investment.

Depreciation and amortisation charges arise as capital expenditure is charged to our Statement of Comprehensive Income and Expenditure evenly over the estimated useful economic lives of the assets acquired. Our depreciation and amortisation charges continue to rise despite the recent reduction in capital expenditure, reflecting an increase in the proportion of expenditure on IT assets. Estate assets often have a long life (for example, a new building is typically depreciated over 40 years), whereas IT assets invariably have a short life (for example, three years for hardware, five years for a strategic software system). As Goldsmiths increases expenditure on shorter-lived IT infrastructure, our depreciation and amortisation charges are expected to continue to increase over the next couple of years before stabilising.

It should be noted that depreciation charges are recognised in respect of tangible fixed assets, and amortisation charges are recognised in respect of intangible fixed assets (principally computer software).

We own the freehold to the vast majority of our campus which gives us a significant degree of financial security.

Long-term liabilities and interest costs

It is not always possible to fund activity directly out of the cash flows generated by our operations. In order to undertake major capital expenditure, Goldsmiths has in the past entered into external financing arrangements which are reflected on the College's balance sheet as long-term borrowings. These take the form of long-term loans with Royal Bank of Scotland and Lloyds, together with a finance lease in respect of our Loring Hall student accommodation. Together, these arrangements represent £16.5 million of borrowing. Over the last five years our level of borrowing has fallen by £8.7 million from £25.2 million in 2014-15 as we have had the ability to regularly service the debt from our operating cash inflows.

Data from the OfS suggests that our gearing (external debt as a proportion of net assets) is currently below average for the higher education sector. The cost of servicing that debt is fairly high though, as the majority of the amounts borrowed are on standard repayment terms at fixed rates of interest of between 5% and 6%.

We also incur interest costs in respect of our pension schemes, as the significant pension liabilities reflected on our balance sheet incur a notional interest charge as a result of a valuation technique known as discounting.

Our pension schemes

Goldsmiths employees are eligible to join either the Universities Superannuation Scheme (USS) or the London Pension Fund Authority (LPFA) scheme. Both are defined benefit pension schemes, although recent changes to USS have introduced a defined contribution element for higher earners. Given the current environment of low interest rates and the volatility in asset values due to Covid-19, the net deficit position of each scheme remains high and they represent significant liabilities on Goldsmiths' own balance sheet.

The 2018 valuation and schedule of contributions for the USS pension scheme was not available in time for inclusion in the 31 July 2019 Financial Statements, so the 2017 valuation and schedule of contributions arising from the Trustee's so-called Rule 76 contributions was used. This resulted in an increase in the pension provision of £24.0 million to £36.5 million for that year, of which £23.7 million was a charge to expenditure shown within staff costs and £0.3 million within interest payable. The 2018 valuation and schedule of contributions has since been finalised and resulted in a reduction in the provision of £16.3 million to £20.2 million, of which £16.9 million is a credit to expenditure shown within staff costs and £0.6 million a charge within interest payable.

The 2019 triennial valuation of the LPFA pension scheme showed a significant reduction in the funding deficit for the College's section of the scheme of £4.9 million to £1.6 million, with the funding level improving from 83.2% to 96.8%. This resulted in a reduction in employer contributions from 22.8% to 17.3% of salary with effect from 1 April 2020.

The triennial valuation of the scheme is used to determine the schedule of employer and employee contributions for a 3-year period. However, our actuaries, Barnett Waddingham, provide us with an annual valuation as at each balance sheet date which is prepared in accordance with FRS102. The annual valuation also uses more recent data, for example on financial market conditions, numbers of staff, pay levels, contributions to and payments from the scheme. The annual valuation for 31 July 2020 is used in these Financial Statements.

Due to market conditions on 31 July 2020, the rate used to discount future scheme liabilities fell 2.1% to 1.35%. A reduction in the discount rate increases the future liability. Largely as a result of this, the net liability of the scheme increased by £17.6 million to £49.7 million. Of this increase, £2.3 million is a charge to expenditure shown within staff costs, £0.6 million a charge within interest payable and £14.7 million is an actuarial adjustment to Comprehensive Income. It is reported below the surplus/(deficit) and therefore is not included in the reported surplus or underlying deficit for the year but does result in an equivalent reduction in net assets and income and expenditure reserves.

Balance sheet movements and charges or credits to expenditure or other comprehensive income related to our pension schemes are disregarded in our loan covenants.

Expenditure performance in 2019-20

The decrease in total expenditure of £29.0 million from £159.3 million to £130.3 million was dominated by the replacement of the charge of £23.7 million related to the 2017 valuation of the USS pension scheme with the £16.9 million credit related to the 2018 valuation.

Excluding the USS pension movements, in 2019-20 expenditure charged to the Statement of Comprehensive Income and Expenditure grew by 8.5% to £147.0 million (from £135.6 million), reflecting:

Staff costs increased by 14.2% to £95.5 million (excluding the USS pension charge) as a result of:

- new staff recruitment to address higher student numbers set for the year that were not achieved
- ongoing investment in student-facing professional services
- the pay rise awarded to all staff from 1 August 2019 following national negotiation
- increases in USS employer pension contributions from 18% to 19.2% from 1 October 2019 and from 19.2% to 21.1% from 1 April 2020, slightly offset by the reduction in the LPFA employer pension contributions from 22.8% to 17.3% from 1 April 2020
- the insourcing of cleaning staff from May 2019 and security staff from February 2020, which has caused a near equivalent reduction in other operating expenses

- an increase in the annual leave accrual for untaken annual leave on 31 July 2020. The college has designated its staff as key workers during the pandemic, enabling them to carry forward 20 days of annual leave at the end of the annual leave year on 31 August 2020 rather than the usual five.

A slight decrease in other operating expenses of £0.3 million masks a number of factors:

- Insourcing cleaning and security services resulted in a reduction of £3.0 million
- An increase in the charge for bad debts, which represents the increase in the provision for doubtful debt plus bad debts written off in the year, resulted in an increase of £2.1 million.
- A new hall of residence from an external provider, Ewen Henderson Court, came on line at the start of the year resulting in an increase of £2.1 million.
- A payment to accommodation provider Campus Living Villages to enable them to release students in their halls of residence from their summer-term contracts resulted in an increase of £0.5 million.
- Costs directly associated with Covid, including remote teaching and working facilities, student support and PPE, resulted in an increase of £0.2 million.
- The reversal of a favourable movement in other provisions (excluding staff restructuring provisions) largely related to an increase in the provision for student complaints and appeals, resulted in an increase of £0.6 million.

Disregarding the factors above, which include several one-off charges related to Covid-19, other operating expenses decreased by £2.8 million in cash terms reflecting continued strong cost control over this area of expenditure. Additional controls introduced during the year included reducing purchase authorisation thresholds, cutting back the number of procurement cards available and reducing the expenditure categories they are useable for.

Total depreciation and amortisation charges reduced by 1.4% to £11.8 million.

Interest charges increased slightly by £0.2 million, as a result of an increase of £0.3 million in the interest charge element of the USS pension provision partly offset by a reduction of £0.1 million in interest charges on our bank loans and finance lease as the principal/capital element is gradually repaid.

Cash flow and balance sheet

Cash flow

In 2019-20, the net cash inflow from operating activities was £1.9 million (2019: £9.8 million). The decline reflects the increased level of underlying deficit although this was partly offset by an improvement in working capital related to research grants and the increase in other provisions related to the VSS. The latter improvement will, however, unwind in 2020-21.

Total cash balances (including cash invested in deposit accounts) as at 31 July 2020 were £22.1 million, £7.1 million lower than at the same point in 2019, largely driven by the £7.9 million reduction in operating cash inflow.

Capital expenditure, which totalled £7.1 million in the year (including accrued costs), comprised a number of small estate capital projects across campus including improvements to the Loring Hall of residence, safety compliance works, final phase of the access control renewal project and enabling works for the Enterprise Hub. IT spend included ongoing renewal of hardware as well as spend on systems software.

The cash cost of servicing debt and finance leases was £2.9 million (2019: £2.8 million).

Balance sheet

Net assets decreased from £64.5 million as at 31 July 2019 to £49.7 million as at 31 July 2020, largely reflecting the underlying deficit for the year, with the significant reduction in the USS pension provision largely offset by the significant increase in the LPFA pension liability. No new loans were taken out in the year. After continued repayment of debt principal, external loan and finance lease balances stood at £16.5 million at 31 July 2020 (2019: £18.3 million).

The external environment

Prior to March 2020 the external environment already posed complex challenges to Goldsmiths. The Covid-19 pandemic has had an exacerbating effect on these pre-existing issues and the Senior Management Team and Council have revised their approach to risk management to reflect the evolving nature of the operating environment. In particular, emphasis has been placed on addressing emerging risks and actively mitigating medium and long term risks. It is not envisaged that the external environment will become materially more benign during the coming academic year. It is considered that the College's leadership has responded ably in these extremely difficult circumstances and they have Council's complete confidence that they will meet the ongoing challenges presented by the pandemic and other environmental factors.

LOOKING FORWARD

Financial outlook

The primary drivers for the recovery of our finances and our financial performance will be:

- Recovery of overseas student numbers and stable and growing home student numbers.
- A renewed focus on improving student retention and reducing attainment gaps.
- Control of costs, particularly staff costs, including higher pension contributions.
- Increasing oversight of capital expenditure.
- The diversification of income streams where possible.

As a result of the impact of Covid-19, our financial performance will remain under pressure and in addition to the large deficit for 2019-20 we are forecasting a similar deficit for 2020-21. Financial performance will remain well below Higher Education sector norms. This emphasises the need for continued focus on achieving a sustainable level of surplus and operating cash flow.

Going concern statement

The financial statements have been prepared on a going concern basis which Council considers to be appropriate.

Following the onset of the Covid-19 pandemic, Council took action to preserve liquidity and protect future value as the pandemic and associated educational and travel restrictions in the UK and in countries from which the University's students attend led to heightened uncertainty about the future financial performance of the College:

- An extensive student liaison programme resulting in higher levels of student retention than forecast, in year as well as progression in to year 2 and year 3; along with increased deferrals to 2021-22 academic year;
- Staff and non-staff costs substantially reduced through the implementation of additional controls over staff recruitment;
- A voluntary severance scheme which, in combination with increased controls over staff recruitment is forecast to lead to a headcount reduction of 56 FTE (3.8% of the pre-pandemic workforce) in the year ending 31 July 2021.
- A strategic review leading to a further planned headcount reduction of 65 FTE, 4.5% of the pre-pandemic workforce in the year ending 31 July 2022;
- The College participated in the UK government's Coronavirus Job Retention Scheme.

Council has performed an assessment of the College's ability to continue as a going concern for the 12-month period from the date of signing these financial statements. In performing their assessment, Council considered the College's financial position, financial forecasts, and exposure

to principal risks, including the ongoing impact of Covid-19 on liquidity and the College's ability to comply with the terms of its bank facilities.

The College meets its working capital requirements from its cash balances and senior facilities, including term loan facilities of £6.5 million provided by Lloyds Bank Plc ('Lloyds') and a term loan facility of £6.6 million provided by Natwest Bank Plc ('Natwest').

On 29 April 2021, the College agreed with Lloyds and Natwest to amend the terms of the senior facilities agreement, new revolving credit facilities and revision to the financial covenants.

The new revolving credit facilities are bilateral facilities with Lloyds and Natwest that provide additional liquidity in periods of the year when cash balances are at their lowest. There are two facilities as follows:

- Facility A is £5.0 million for the 6 weeks until 24 September 2021
- Facility B is £7.0 million for the 6 weeks until 26 May 2022.

Interest is payable on the cumulative amount drawn down on each facility. This is the aggregate of the Sterling Overnight Index Average (SONIA) and a margin of 3.5% per annum.

The Senior Management Team (SMT) has prepared multiple financial scenario forecasts, including what they consider to be reasonably possible downside scenarios, with a range of student attrition rates, and assuming varying dates for a resumption of pre-Covid-19 activity levels. SMT has also prepared a reforecast showing a severe but plausible downside, which is based on actual attrition rates experienced in the first and subsequent national lockdowns of 2020; this forecast was also able to reflect the actual (increased) level of student enrolments as at 1 December 2020, which has also improved the outlook for 2021-22

and a best estimate of the impact of the extended lockdown on residences income.

SMT has also considered the impact of the recent government announcement on reductions in Office for Students teaching grant funding, in particular the removal of the London Funding element. This is expected to reduce the College's annual teaching grant income by approximately £2 million per annum with effect from the 2021-22 financial year.

This forecast indicates that the College has sufficient liquidity and financial covenant headroom to withstand the severe but plausible downside scenarios and will have sufficient funds to meet its liabilities as they fall due for that period. Whilst the economic outlook resulting from the global Covid-19 pandemic remains uncertain, Council has considered the impact on the College by conducting scenario analysis on the College's financial performance, the availability of cash to meet liabilities as they fall due and its compliance with debt covenants. Additionally, SMT continues to assess future liquidity and debt covenant compliance in each scenario.

Therefore, Council, after making appropriate enquiries and taking into consideration the risks and uncertainties facing the College, on page 28, considers that the College has adequate resources to continue in operation as a going concern and that the College will be able to meet its obligations linked to the borrowings in place for the period covered by the College cash flow forecasts. Accordingly, the College continues to adopt the going concern basis in preparing these financial statements.

Conclusion

Throughout this Strategic Report, we have highlighted the significant challenges resulting from the global pandemic but also the opportunities that face Goldsmiths. While the full impact of the pandemic is not yet known we believe that Goldsmiths, its values and vision are more important for society than ever.

The College is moving into its next stage of recovery and renewal and although we are under no illusion of the challenges we face in this coming year, we are confident in our approach. We will be conserving cash through a tight control of all expenditure and meaningfully tracking progress through robust target setting and KPIs.



Dinah Caine CBE
Chair of Council



PUBLIC BENEFIT STATEMENT

The objects (aims) of the charity Goldsmiths' College, as set out in its Statutes, are:

- to advance knowledge, wisdom and understanding by teaching, study, public service and research; and
- to make available to the public the results of such research.

In reflecting on its responsibilities under the Charities Act 2011, Council continues to have due regard to the Charity Commission's guidance concerning the need for charities to demonstrate that they operate for the public benefit. Council has also noted the requirement that, where benefit is to a section of the public, the opportunity to benefit must not be unreasonably restricted by geographical or other restrictions or by ability to pay any fees charged.

Education, access, opportunity and experience

The principal benefits to the public and beneficiaries arise from the College's activities in teaching, research and knowledge production and include the students of Goldsmiths. Other beneficiaries include those who later benefit indirectly from the skills which they acquire, such as pupils of those who qualify as teachers which is an area in which Goldsmiths has a particularly long history of distinguished public service.

Providing opportunity and access to all those who might benefit from studying at Goldsmiths is core to our mission.

We are proud to call Lewisham home and we draw inspiration and influence from our surroundings as much as we look to contribute locally. A borough in South East London with a strong Local Authority, Lewisham remains one of the most deprived areas in the country with a low rate of youth progression onto higher education.

From its establishment up to the present day, Goldsmiths has nurtured its links with the local community developing a tradition of access, diversity and community engagement in our research, teaching and outreach activity. Among the initiatives that focus on the local community are our Realising Opportunities scheme and Lewisham-focused scholarships.

We do this in an overall context of simultaneous local, national and international recruitment across all academic departments, producing a richly diverse internal community to the benefit of all students and staff.

Goldsmiths offers a range of short courses and undergraduate and postgraduate degrees, and students from non-traditional educational backgrounds are welcomed.

In addition a portfolio of professional services courses is offered, particularly by our Department of Social, Therapeutic and Community Studies. The Teachers' Centre within our Department of Educational Studies provides continuing professional development support for primary and secondary level teachers, which both supports teachers' CPD and enables us to build relationships with schools in the south-east of England and London.

Goldsmiths undertakes outreach work with local schools and colleges through its student recruitment team in order to encourage participation from all those with potential to benefit from higher education. Our close links with schools and colleges in Lewisham and other local boroughs are at the foundation of this work and activities are often developed in conjunction with teachers and lecturers to meet the needs of their students.

We work with schoolchildren of all ages, raising aspirations at all levels as well as running taster days and summer schools to give students who may be considering entering higher education the chance to experience what it might be like to study particular subjects at university, and they also provide the opportunity to speak to university lecturers and undergraduates about their experience at Goldsmiths.

The Open Book project works with those from offending and addiction backgrounds to encourage them to take up education, offering them on-going emotional and practical support throughout their course. The project has enabled adults from socially excluded groups to find places on undergraduate courses at Goldsmiths and other institutions.

Commitment to community

Goldsmiths' commitment to the local community is embedded in the operations of the College as outlined in the sections above.

In addition to this, staff and students are encouraged to participate in community engagement activities such as public lectures, volunteering, and service on public committees, for example governing bodies of schools and further education colleges.

Many student placements are of direct benefit to community centres, schools, hospitals, charities and arts organisations. The Library provides access to printed materials to any member of the public needing the collections for their private research purposes.

Our staff, students and alumni demonstrated their creativity and compassion as they responded to the unprecedented challenges of Covid-19 and its impacts on people across society.

Staff organised deliveries of PPE to local hospitals and worked with the Students' Union to support local foodbanks.

Dr Georgios Galanis, Senior Lecturer in Economics in the Institute of Management Studies, contributed to mathematical modelling which discovered that even short delays in social distancing measures had significant impacts on Covid-19 infection rates.

Ms Yvonne Field, lecturer in Community Studies wrote an open letter to the Prime Minister demanding an investigation into the disproportionate impact of the pandemic on BME communities.

Local schools use the College Green for their sports days, and the Great Hall for concerts and other events, benefiting many hundreds of local children and further cementing our links with the local community. We work closely with CEN8 an innovative charity on outreach with students mentoring and supporting secondary school students. Goldsmiths' Teachers' Centre works with school ambassadors to encourage closer links.

Research activities

Goldsmiths' Research Services team is required to make research results public as a condition of funding from the main sources of grants. We can therefore readily provide detailed evidence of reporting obligations and how they have been fulfilled in respect of particular grants.

The College is mindful of the need to ensure proper separation of research activities for the public benefit, which describes most of the research carried out at Goldsmiths, from consultancy for private clients or where there may be private benefit permitted for staff, within the framework of Goldsmiths' Consultancy Policy. The Enterprise Office, which nurtures our links with business and social enterprises, and the Research Office work closely together under a unified

management line. All research applications and consultancy tenders now go through the same office. This ensures that there are clear decision-points in the processes to make sure that projects are correctly directed through either the research or the consultancy process. Examples of our research activities are presented in the earlier 'Goldsmiths in 2020' section.

The appropriate separate accounting arrangements for these different categories of research are further ensured through a vetting process undertaken within the Research Services Department before an application is made for a research grant.

Environment and sustainability

Ongoing investment in improving our physical environment and supporting environmental sustainability has continued this year.

Within our Estates and Facilities Department we have fully engaged with the implementation of the Plan25 strategy to deliver a net zero campus. We are actively pursuing key infrastructure developments that will improve the resilience of the estate at the same time as reducing the carbon intensity of the delivered services.

Ethical investment

Goldsmiths views an ethical investment policy as an important part of our strategic planning. As part of its review of the Treasury Management Policy, Council approved in summer 2014 an updated Ethical Investment Policy which has been embedded into broader Treasury Management. The Policy precludes investment in companies whose activities are inconsistent with the objectives of its Charter. We will not invest in companies whose activities could be seen to endanger individuals, its community of stakeholders or other groups. We achieve this by placing our long-term investments for our endowment with CCLA, a fund manager specialising in

supporting not-for-profit and public sector organisations, in their COIF Charities Ethical Investment Fund. This is one way in which Goldsmiths helps to avoid any detriment or harm resulting from its activities.

CORPORATE GOVERNANCE AND INTERNAL CONTROL

Institutional context

Goldsmiths' College (also known as 'Goldsmiths, University of London' or simply as 'Goldsmiths', 'the College' or 'the institution') is a corporate body established by Royal Charter, and an exempt charity. During the financial and academic year, it operated under the Office for Students' Terms and Conditions of funding for higher education institutions as well as the terms and conditions of the Research England Grant.

Throughout the financial and academic year, the Office for Students (OfS) has, under the provisions of the Charities Act 2011 and pursuant to the Higher Education and Research Act 2017, been the Principal Regulator of Goldsmiths. The members of Council, the governing body of Goldsmiths, are also the trustees of the exempt charity. Goldsmiths has no linked ('paragraph w') charities. Goldsmiths obtained its own degree-awarding powers in 2010 for validated (off-site) provision, and these were extended to all provision in January 2018. At this time, Goldsmiths exercises these powers only in furtherance of its collaborative provision partnership with the LASALLE College of the Arts, Singapore and in the award of honorary degrees.

In response to the Covid-19 pandemic the OfS suspended its regulatory regime. This included the suspension of various conditions of registration, the introduction of temporary conditions and change to events which require reporting. The OfS reported that it would embed a revised model of engagement with providers. The College has continued to engage with its regulator and provide information in the format and time required. There have been occasions where it has been necessary to make reports to the OfS pursuant to their guidance and more recently the College has been engaged in an ongoing dialogue in respect of the College's financial position.

Goldsmiths' Students' Union is a registered charity, for which the College has supervisory responsibilities defined by Section 22 of the Education Act (1994). Two members of the Students' Union sit on Council. In December 2003 Council approved and published a statement of protocols relating to the role of Students' Union members, in recognition of the uncertainties and tensions which could arise from their dual roles as officers and as trustees of the institution.

Responsibilities of Council

In accordance with the Charter and related Statutes, Council is responsible for the oversight of Goldsmiths' affairs, including ensuring an effective system of internal control (detailed below).

The Primary Responsibilities (reserved powers) of Council are currently as follows:

- to ensure high standards of corporate governance to include integrity, objectivity, openness and transparency
- to ensure that an appropriate framework exists to manage the quality of learning and teaching and to maintain academic standards
- to be generally responsible for the welfare of students and staff
- to approve the Strategic Plan, and Key Performance Indicators to be used to monitor the performance of Goldsmiths as a whole
- to monitor Goldsmiths' delivery against the Strategic Plan and Key Performance Indicators
- to approve the annual budget
- to ensure that funds provided by the Office for Students and Research England are used in accordance with any terms and conditions of funding laid down by them and any other funding bodies
- to ensure that Goldsmiths complies appropriately with regulatory instruments and documents, including from the Office for Students
- to approve borrowing or loans above an agreed value
- to approve contractual commitments over an agreed value and authorise Goldsmiths' signatories
- to approve the Financial Statements and accompanying reports, including the Corporate Governance Statement
- to approve the appointment of Goldsmiths' bankers, and internal and external auditors

- to approve policies and strategies designed to ensure good financial and risk management, and to monitor Goldsmiths' arrangements for risk management in ways which Council shall from time to time determine
- to approve the Articles of Governance of Goldsmiths' Students' Union, the Memorandum of Understanding between Goldsmiths and the Union, and procedures designed to ensure that the College complies with its legal responsibilities in relation to the Union's conduct of its affairs
- to approve Goldsmiths' Health and Safety Policy and Procedures and to monitor their implementation
- to approve the sale, purchase and lease of College land over an agreed value and/or an agreed period of time
- to approve building projects over an agreed value and monitor their progress
- to be the employing authority for all staff in the institution, approve employment policies and strategies to ensure compliance with employment legislation and guidance and to monitor their implementation
- when relevant, to approve recommendations made by a properly constituted Redundancy Committee to make academic and academic-related staff redundancies
- to approve procedures for handling internal grievances and for managing conflicts of interest
- to appoint the Warden, the Registrar and the Director of Finance, and to approve recommendations for the appointment of Pro-Wardens, including the Deputy Warden
- to appoint the Secretary to Council
- to ensure compliance with all legislation affecting the College
- to act as appropriate in relation to the role of Council as trustees, and to ensure that Goldsmiths complies with charity law, and with the requirements of the Office for Students in its role as Principal Regulator
- to agree proposed changes to the College's Statutes, Ordinances, General Regulations and Financial Regulations
- to approve the establishment and termination of Goldsmiths' companies, or the institution's acquisition of a legal interest in a jointly owned company (or voluntary termination of such interest), and to ensure that appropriate arrangements are in place to monitor Goldsmiths' existing interests in companies
- to establish processes to evaluate the performance and effectiveness of Council itself.

The financial responsibilities of Council referred to in the Statement of Primary Responsibilities and in the Statutes, as well as the conditions of public funding to which the College is subject, mean that Council is responsible for keeping proper accounting records, enabling the financial position of Goldsmiths to be determined with reasonable accuracy at any time, and adherence to the *Statement of Recommended Practice: Accounting for Further and Higher Education*, the *Accounts Direction* as issued by the Office for Students and other relevant accounting standards in the preparation of the financial statements.

Committed to achieving enhancement in its own practices, Council reviewed its effectiveness in 2019 and had been implementing an action plan throughout the academic year. The plan's implementation was monitored

by the Nominations and Governance Committee, a body charged with maintaining focus on the pursuit of the highest standards of governance.

Committees of Council and Academic Board

Council is responsible for determining the structure of its committee system as well as the terms of reference, composition and membership of each of the committees which report to it. The exception to this is Academic Board, whose composition and broad institutional status are established by Statute. Arrangements for enhanced reporting by Academic Board have been put in place in the year, including Council receiving a written report on Impact and risk at each of its meetings.

A joint meeting between Council and Academic Board was scheduled for March 2020; this meeting was postponed due to national lockdown. Joint meetings will be scheduled for each academic year going forward.

Academic Board

Under the Charter of Goldsmiths, Academic Board is "responsible for the academic work of Goldsmiths in teaching, examining and research". Council has a statutory responsibility to consult Academic Board, which consists mainly of heads of academic departments and elected representatives of those departments, when making decisions on academic matters. Academic Board has its own section of the committee structure reporting to it and, although Council is responsible for determining the overall design of the committee system and the Standing Orders for committees, Academic Board has autonomy in matters relating specifically to the terms of reference and compositions (constitutions) of its own committees.

The most senior committees of Academic Board are the Academic Development Committee, the Learning, Teaching and Enhancement Committee, the Research and

Enterprise Committee, the Academic Progress Committee and the Department Boards. Academic Board regularly reports to Council in support of the latter body's recently enhanced responsibilities for academic governance and providing assurance on regulatory compliance within its remit.

Finance and Resources Committee

The Committee, among other important functions, recommends the annual budget for approval by Council and conducts termly reviews of the Management Accounts as well as receiving in-year reforecasts. It consists of independent members of Council, one of whom is Chair, as well as the Warden and the President of the Students' Union. The frequency of its meetings increased this academic year to meet the needs of the College and its operating environment.

Audit and Risk Committee

The Audit and Risk Committee has terms of reference based on the Model Terms of Reference in the CUC Handbook for Members of Audit Committees in Higher Education Institutions. The Terms of Reference were reviewed in light of the revised code published in May 2020. It has conducted its business within the financial and academic year with due regard to the *Terms and Conditions of Funding for Higher Education Institutions* with particular reference to Annex C the *Audit Code of Practice*.

The Committee's primary responsibility is to provide Council with assurances and advice which enables Council to approve all elements of the Annual Accountability Return (including the Financial Statements), taking account of comments from the Finance and Resources Committee.

The Committee has particular responsibility to consider the Financial Statements before submission to Council. The Audit

and Risk Committee also ensures that suitable arrangements are in place to promote economy, efficiency and effectiveness as well as keeping under review the effectiveness of risk management, control and governance arrangements.

The Committee holds responsibility for advising Council as to suitability and adequacy of the internal controls in operation and the arrangements in place for risk management.

Joint meetings of Audit and Risk Committee and Finance and Resources Committee

In response to the College's financial position, three extraordinary meetings were held jointly with Finance and Resources Committee. Each committee reviewed matters through the lens of their distinct Terms of Reference. In line with recommended audit practice, these meetings were extraordinary and they will not be integrated into the usual schedule of business of the College.

Other committees

The Human Resources and Equalities Committee, the Estates and Infrastructure Committee and the External Relations Committee all have responsibilities in specific strategic areas on which they report routinely to Council and where necessity demands.

The Nominations and Governance Committee makes recommendations to Council on the appointment of independent members to Council and to its committees, generally to enable the effective conduct of business while pursuing equality and diversity, and other matters pertaining to governance. A governance action plan was developed in response to the Good Governance Institute review; the implementation of this plan has been monitored throughout the academic year by the Nominations and Governance Committee.

The Remuneration Committee has delegated power to determine the salaries of senior staff, including the Warden. In undertaking its work the Committee pays due regard to the *Higher Education Senior Staff Remuneration Code*.

CUC Governance Code of Practice

Goldsmiths adopts the CUC Higher Education Code of Governance 2014, as revised in June 2018. The Council effectiveness review approved by Council in September 2019 confirmed the College's compliance with the code and the Nominations and Governance Committee has monitored the implementation of opportunities to enhance compliance throughout the academic year. The CUC published a revised Higher Education Code of Governance in September 2020, the College will adopt this revised code and review its instruments, procedures and practices in line with this code to ensure compliance and best practice.

Trade Union Disclosure 2019-20

Trade Union (Facility Time Publication Requirements) Regulations 2017

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on 1 April 2017. These regulations place a legislative requirement on Goldsmiths to collate and publish, on an annual basis, a range of data on the amount and cost of facility time within the organisation. The relevant data for 2019-20 is as follows:

The number of employees who were relevant union officials during the year totalled 19 staff (11.5 full-time equivalent).

The percentage of their time spent on trade union activity was as follows:

Percentage of time	Number of employees
0%-50%	19
51%-99%	0
99%-100%	0

The percentage of total salary costs spent on facility time totalled 0.09%.

As a percentage of total paid facility time hours, 6.75% of hours were spent by employees who were relevant union officials during the period on paid trade union activities.

Internal control

Council has responsibility for maintaining a sound system of internal control and for reviewing its effectiveness. Its pursuit of Goldsmiths’ strategic objectives, the preservation and husbandry of its assets and received public funds as well as the management of any liabilities are facilitated by an approach to internal control which is based upon the identification and mitigation of strategic, operational, compliance and financial risk.

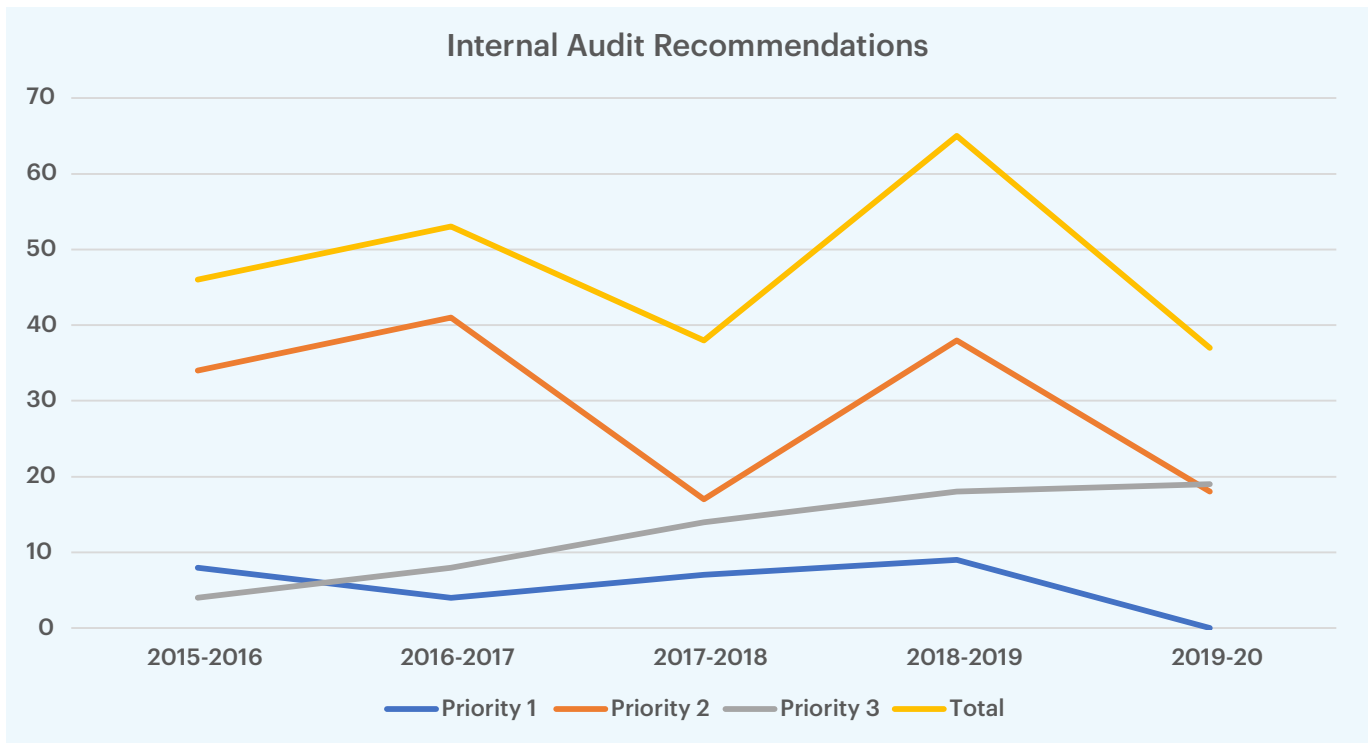
The Audit and Risk Committee monitors and reviews Goldsmiths’ system of internal control on behalf of Council, the committee providing the governing body with periodic reports on the effectiveness of control arrangements.

The Audit and Risk Committee is supported by a programme of internal audit work, set out each financial year in the Internal Audit Plan. Throughout the period the Committee receives reports generated against the Plan and recommendations raised as well as management responses to these. Upon completion of the programme, the Head of Internal Audit provides an Overall Opinion.

KPMG, the College’s internal auditor, has provided a Head of Internal Audit’s Overall Opinion of “significant assurance with minor improvements required”. Some seven Internal Audit assignments were completed during the academic year 2019-20. One planned audit and an additional requested review were withdrawn in light of Covid-19. Despite these changes, the internal auditors were satisfied that the reviews undertaken provided sufficient coverage to provide an opinion.

The total number of internal audit recommendations raised during the period was 37 (with no ‘High’ priority recommendations) compared to 65 (with 9 ‘High’ recommendations) in 2018-19; demonstrating an enhancement in controls across the institution. Notwithstanding the opinion and improvements, the reviews undertaken have presented opportunities to materially enhance controls in a number of areas, including department level risk management, accounts payable financial systems and UUK Housing Compliance. We are delighted by the improvements identified in the internal controls within the institution over the last few years. These opportunities have already been actively pursued, implementing recommendations raised to strengthen the control environment.

The College revised its approach to risk management during this period to ensure that risk management was effectively integrated at all levels within the College as well as providing strategic oversight of the bigger risks. The risk management policy was revised to demonstrate a more holistic approach with a greater emphasis on individual responsibility for risk management.



Within the period covered by these financial statements, statutory and regulatory compliance steering groups have been integrated into the assurance mechanisms for the Audit and Risk Committee. The Safeguarding Steering Group, Information Security Steering Group, Data Management Leadership Group and Office for Students Steering Group, provide regular reports to the Audit and Risk Committee outlining how they are ensuring compliance and best practice within their respective areas. In addition, in line with the College's Emergency Plan, the Audit and Risk Committee has received critical incident reports providing operational updates in the response to major incidents which have been deemed to have the potential to disrupt the institution's financial, reputational or operational security.

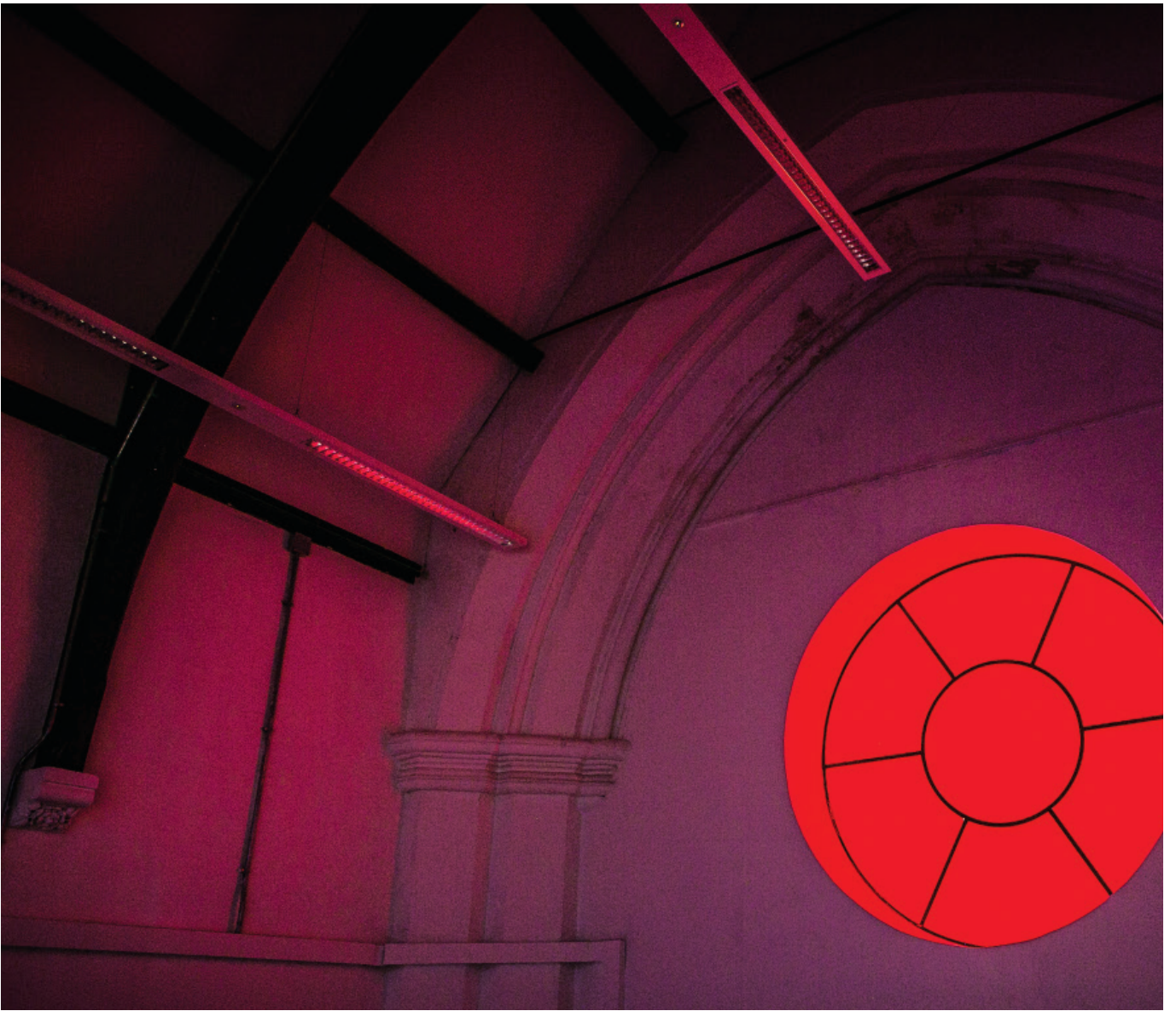
A Strategic Risk Register is maintained, which schedules those risks that pose a challenge to the achievement of the Strategic Plan's objectives and themes and evaluates the likelihood and impact of a risk crystallising. This academic year has seen unprecedented change for the institution and therefore its operations and risk management have been revised to meet these new circumstances; a Covid-19 recovery risk register has been developed to capture and monitor the risks. The Senior Management Team, Audit and Risk Committee and Council have regularly reviewed this register and considered whether the risks and indicators are accurate and mitigations are sufficient. Each body considered whether it was assured that sufficient controls were in place to identify and respond to the challenges facing the institution as a result of the Covid-19 pandemic. The Audit and Risk Committee receives an annual report concerning the management of risk; this report has been revised to respond to the materially changed operating environment.

External audit

Council formally appointed BDO LLP as Goldsmiths' external auditors at its 11 April 2019 meeting. The external auditors have responded to the change in the timeline for the regulator's accountability return.



Dinah Caine CBE
Chair of Council



INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOLDSMITHS' COLLEGE

Opinion

We have audited the financial statements of Goldsmiths' College ('the College') for the year ended 31 July 2020 which comprise the Statement of Comprehensive Income and Expenditure, Statement of Changes in Reserves, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 College's affairs as at 31 July 2020 and of the College's income and expenditure, gains and losses, changes in reserves and the College's cash flows for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

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 College 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Council members use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Council members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the College's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Council are responsible for the other information. Other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information including the Strategic Report, Public Benefit Statement and Corporate Governance and Internal Control and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion on other matters required by the Office for Students ('OfS') and Research England

In our opinion, in all material respects:

- Funds from whatever source administered by the College for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation.
- Funds provided by the OfS, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions
- The requirements of the OfS's Accounts Direction (OfS 2019.41) have been met.

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

- The College's grant and fee income, as disclosed in the note to the accounts, has been materially misstated.
- The College's expenditure on access and participation activities for the financial year has been materially misstated.

Responsibilities of the Council

As explained more fully in the Responsibilities of Council, the Council is 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 Council members 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 Council are responsible for assessing the College'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 Council either intend to liquidate the College or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.


Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.

In addition, we also report to you whether income from funding bodies, grants and income for specific purposes and from other restricted funds administered by the College have been properly applied only for the purposes for which they were received and whether income has been applied in accordance with the Statutes and, where appropriate, with the Terms and Conditions of Funding with the OfS and Research England.

Use of our report

This report is made solely to the College Council, as a body, in accordance with Section 75 of the Higher Education Research Act 2017. Our audit work has been undertaken so that we might state to the College's Council those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the Council members as a body, for our audit work, for this report, or for the opinions we have formed.



James Aston
(Senior Statutory Auditor)

For and on behalf of
BDO LLP, Statutory Auditor
Gatwick **30 April 2021**

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

ACCOUNTING POLICIES

1 General information

Goldsmiths' College is an educational charity incorporated under a Royal Charter (England and Wales) granted on 1 January 1990. It is also known by the brand name 'Goldsmiths, University of London', or simply as 'Goldsmiths'.

Goldsmiths' College's registered address is New Cross, London SE14 6NW.

2 Statement of compliance

The financial statements of Goldsmiths' College have been prepared in compliance with United Kingdom Accounting Standards including Financial Reporting Standard 102, *The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland* (FRS 102) and with the *Statement of Recommended Practice: Accounting for Further and Higher Education*.

3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2015 and in accordance with Financial Reporting Standards (FRS102). Goldsmiths is a public benefit entity and therefore has applied the relevant public benefit requirements of FRS 102. The financial statements are prepared in accordance with the historical cost convention modified by the revaluation of certain non-current assets and investments.

Going concern statement

The financial statements have been prepared on a going concern basis which Council considers to be appropriate.

Following the onset of the Covid-19 pandemic, Council took action to preserve liquidity and protect future value as the pandemic and associated educational and travel restrictions in the UK and in countries from which the University's students attend led to heightened uncertainty about the future financial performance of the College:

- An extensive student liaison programme resulting in higher levels of student retention than forecast, in year as well as progression in to year 2 and year 3; along with increased deferrals to 2021-22 academic year;

- Staff and non-staff costs substantially reduced through the implementation of additional controls over staff recruitment.
- A voluntary severance scheme which, in combination with increased controls over staff recruitment is forecast to lead to a headcount reduction of 56 FTE (3.8% of the pre-pandemic workforce) in the year ending 31 July 2021.
- A strategic review leading to a further planned headcount reduction of 65 FTE, 4.5% of the pre-pandemic workforce in the year ending 31 July 2022.
- The College participated in the UK government's Coronavirus Job Retention Scheme.

Council has performed an assessment of the College's ability to continue as a going concern for the 12-month period from the date of signing these financial statements. In performing their assessment, Council considered the College's financial position, financial forecasts, and exposure to principal risks, including the ongoing impact of Covid-19 on liquidity and the College's ability to comply with the terms of its bank facilities.

The College meets its working capital requirements from its cash balances and senior facilities, including term loan facilities of £6.5 million provided by Lloyds Bank Plc ('Lloyds') and a term loan facility of £6.6 million provided by Natwest Bank Plc ('Natwest').

On 29 April 2021, the College agreed with Lloyds and Natwest to amend the terms of the senior facilities agreement, new revolving credit facilities and revision to the financial covenants.

The new revolving credit facilities are bilateral facilities with Lloyds and Natwest that provide additional liquidity in periods of the year when cash balances are at their lowest. There are two facilities as follows:

- Facility A is £5.0 million for the 6 weeks until 24 September 2021
- Facility B is £7.0 million for the 6 weeks until 26 May 2022.

Interest is payable on the cumulative amount drawn down on each facility. This is the aggregate of the Sterling Overnight Index Average (SONIA) and a margin of 3.5% per annum.

The Senior Management Team (SMT) has prepared multiple financial scenario forecasts, including what they consider to be reasonably possible downside scenarios, with a range of student attrition rates, and assuming varying dates for a resumption of pre-Covid-19 activity levels. SMT has also prepared a reforecast showing a severe but plausible downside, which is based on actual attrition rates experienced in the first and subsequent national lockdowns of 2020; this forecast was also able to reflect the actual (increased) level of student enrolments as at 1 December 2020, which has also improved the outlook for 2021-22 and a best estimate of the impact of the extended lockdown on residences income.

SMT has also considered the impact of the recent government announcement on reductions in Office for Students teaching grant funding, in particular the removal of the London Funding element. This is expected to reduce the College's annual teaching grant income by approximately £2 million per annum with effect from the 2021-22 financial year.

This forecast indicates that the College has sufficient liquidity and financial covenant headroom to withstand the severe but plausible downside scenarios and will have sufficient funds to meet its liabilities as they fall due for that period. Whilst the economic outlook resulting from the global Covid-19 pandemic remains uncertain, Council has considered the impact on the College by conducting scenario analysis on the College's financial performance, the availability of cash to meet liabilities as they fall due and its compliance with debt covenants. Additionally, SMT continues to assess future liquidity and debt covenant compliance in each scenario.

Therefore, Council, after making appropriate enquiries and taking into consideration the risks and uncertainties facing the College, on page 40, considers that the College has adequate resources to continue in operation as a going concern and that the College will be able to meet its obligations linked to the borrowings in place for the period covered by the College cash flow forecasts. Accordingly, the College continues to adopt the going concern basis in preparing these financial statements.

b) Basis of consolidation

Goldsmiths has two subsidiaries, Pure Goldsmiths Limited and Goldsmiths Accommodation Services Limited, which have not been consolidated on the grounds that their results are immaterial for the purpose of presenting a true and fair view.

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

c) Income recognition

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

Fee income is stated gross of any expenditure which is not a discount and credited to the Statement of Comprehensive Income and Expenditure over the period in which students are studying. Where the amount of the tuition fee is reduced by a discount, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

Investment income on non-endowment investments is credited to the Statement of Comprehensive Income and Expenditure on a receivable basis.

Funds that Goldsmiths receives and disburses as paying agent on behalf of a funding body are excluded from income and expenditure where Goldsmiths is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

Revenue and capital grants including funding council and government research grants are recognised as income when Goldsmiths is entitled to the income and performance-related conditions have been met. Income received in advance of performance related conditions being met is deferred on the balance sheet and released to income as the conditions are met.

Donations and endowments are recognised as income when Goldsmiths is entitled to the income and performance-related conditions have been met. Income received in advance of performance-related conditions being met is deferred on the balance sheet and released to income as the conditions are met. Income from donations and endowments with donor imposed restrictions is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

Investment income and gains or losses on endowment investments are recorded in income in the year in which they arise, and as either restricted or unrestricted income according to the terms or other restrictions applicable to the endowment.

d) Short-term employment benefits

Short-term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to Goldsmiths. Any unused benefits are accrued and measured as the additional amount expected to be paid as a result of the unused entitlement.

e) Finance leases

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

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

f) Operating leases

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

g) Taxation

Goldsmiths is an exempt charity within the meaning of Part 3 of the Charities Act 2011. It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, Goldsmiths is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

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

In regard to income from research and consultancy and from non-student lettings and associated income, Goldsmiths has applied HM Revenue and Customs guidelines and has considered that the level of activity in each of those areas does not constitute a trade and so will not give rise to a charge to tax. Accordingly, no provision has been made in the Financial Statements for taxation.

h) Accounting for retirement benefits

The two pension schemes in which Goldsmiths participates are the

Universities Superannuation Scheme (USS) for academic, academic-related and certain senior staff, and the London Pensions Fund Authority (LPFA) for other administrative, technical, clerical and manual staff. The USS comprises both defined benefit and defined contribution elements, while the LPFA is a full defined benefit scheme. Each fund is valued every three years by professionally qualified independent actuaries.

USS: Defined Benefit Scheme accounted for on a Defined Contribution basis

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

USS: Defined Contribution component

A Defined Contribution plan is a post-employment benefit plan under which the employer pays fixed

contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to Defined Contribution pension plans are recognised as an expense in the Statement of Comprehensive Income and Expenditure in the periods during which services are rendered by employees.

Prior to 2016, Goldsmiths had no Defined Contribution plan. However, from 1 October 2016, USS introduced a Defined Contribution section to its scheme. Staff earning up to a threshold of £59,585.72 remain entirely within the Defined Benefit section but for those earning more than that, their pension contribution for salary above the threshold is paid into the Defined Contribution section.

LPFA: Defined Benefit plan

Defined benefit plans (such as USS for salaries up to £59,585.72 and LPFA) are post-employment benefit plans other than Defined Contribution plans. Under Defined Benefit plans, the employer's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the employer. Goldsmiths recognises a liability for its obligations under the LPFA Defined Benefit plan net of plan assets. This net Defined Benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets. The calculation is performed by a qualified actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which Goldsmiths is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

i) Intangible fixed assets

Computer software that is not an integral part of associated hardware is classified as an intangible fixed asset and is amortised over periods of up to five years.

j) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2015 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets. Depreciation is calculated from the month that the asset comes into use. Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Balance Sheet.

Land

Land in use at 31 July 2014 was revalued to fair value by Gerald Eve, Chartered Surveyors, as at the date of transition to FRS 102 and 2015 SORP, and is measured on the basis of deemed cost, being the revalued amount as at the date of the revaluation. Subsequent additions to Land are valued at cost.

Freehold land is not depreciated as it is considered to have an indefinite useful life.

Buildings

All buildings existing at 31 July 1993 which were revalued at 31 July 1994 by Frank Durrant Westmore and Reeves, Chartered Surveyors, have been retained at those values as deemed cost. Subsequent additions since 1994 are stated at cost.

Costs incurred in relation to buildings after initial purchase or construction, are capitalised to the extent that they increase the expected future benefits to Goldsmiths.

Freehold and leasehold buildings are depreciated on a straight line basis over their expected useful lives as follows:

Freehold buildings – new build or acquisition	40 years
Freehold buildings – long-term refurbishments	20 years
Freehold buildings – short-term refurbishments	10 years
Leasehold building improvements	remaining period of lease
Leasehold assets held under finance lease	25 years (Loring Hall)

Equipment

Equipment

Equipment, including computers, software and furniture and fittings costing less than £10,000 per individual or group of related items is recognised as expenditure. All other equipment is capitalised.

Capitalised equipment, including software that is an integral part of associated hardware, is stated at cost and depreciated over its expected useful life as follows:

Desktop computer hardware	3 years
Other plant and equipment	5 years

Other assets

Any works of art and other valuable artefacts purchased by Goldsmiths which are of material value and do not fall within the definition of heritage assets below, are capitalised and held at cost with indefinite useful lives.

Borrowing costs

Borrowing costs which are directly attributable to the acquisition, construction or production of an asset are capitalised as part of the cost of that asset. Other borrowing costs are recognised as expenditure

in the period in which they are incurred.

k) Heritage assets

A heritage asset is a tangible or intangible asset with historic, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture. Heritage assets held at Goldsmiths are works of art. Heritage assets are excluded from fixed assets if it would not be practicable to obtain an accurate valuation at the date of acquisition or the cost of doing so would be disproportionate to the benefits of establishing accurate valuations. Where insurance or tax valuations are available and can be reliably related to the value of the underlying asset at acquisition, these are included within fixed assets at their value on acquisition.

Heritage assets are not depreciated as their long economic lives and high residual values mean that any depreciation would not be material.

l) Investments

With the exception of endowment investments, non-current asset investments are held on the Balance Sheet at amortised cost less impairment.

Endowment investments and current asset investments are held at fair value with movements recognised in the Statement of Comprehensive Income and Expenditure.

m) Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts.

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

n) Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income and Expenditure.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

o) Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

- (a) there is a present obligation (legal or constructive) as a result of a past event;
- (b) it is probable that an outflow of economic benefits will be required to settle the obligation; and
- (c) a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

A contingent liability arises from a past event that gives Goldsmiths a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within its control. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives Goldsmiths a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within its control.

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in the notes.

p) Reserves

Reserves are classified as restricted or unrestricted. Restricted endowment reserves include balances which, through endowment to Goldsmiths, are held as a restricted fund.

There are two types of endowment identified within restricted reserves:

1. Restricted expendable endowments – the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and Goldsmiths has the power to use the capital.
2. Restricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

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

q) Financial instruments

Basic financial instruments comprise cash, demand and fixed-term deposits, loans receivable and payable and bonds. Such instruments are recognised at the transaction price and held at amortised cost using the effective interest rate method or cost. They are subject to an annual impairment review.

Investments in non-convertible preference shares and non-puttable ordinary and preference shares are

measured at fair value where publicly traded or their value can otherwise be reliably measured, otherwise they are carried at cost less impairment.

Complex financial instruments include options, rights, warrants, futures and forward contracts and interest rate swaps that can be settled in cash or by exchanging other financial instruments, hedging instruments and asset-back securities. Complex financial instruments are recognised initially and held at fair value with changes in fair value taken directly to the Statement of Comprehensive Income and Expenditure. Goldsmiths has no complex financial instruments.

r) Service concession arrangements

Goldsmiths has one service concession arrangement where service delivery has commenced.

On 21 September 2015, Goldsmiths entered into a 50-year contract with a third party provider, Campus Living Villages (CLV), for the provision and maintenance of Surrey House, Chesterman Hall and Raymont Hall student residences. The halls were brought into use for the purposes of this arrangement in October 2015 and the contract will finish on 20 September 2065.

At the end of the concession period, Goldsmiths will retain beneficial ownership of the halls of residence.

Under the arrangement, CLV bears the credit risk and Goldsmiths' exposure is limited to the term of its nominations agreement with the provider over all of the available rooms. Nominations are renewable on an annual basis. Goldsmiths has assessed the risk to it of payments for void periods and concluded that any such payment would not be material. Accordingly, no asset and liability has been recognised in the balance sheet.

s) Critical accounting judgements

Disposal of Student Residences

In September 2015 Goldsmiths transferred three student residences (Surrey House, Chesterman Hall and Raymont Hall) to Campus Living Villages (CLV). Goldsmiths retains the freehold interest in these residences and has granted a 50-year lease to CLV. In return for the grant of the lease, Goldsmiths received a £20.3 million capital sum.

The land remains an asset on Goldsmiths' balance sheet as it has an indefinite useful economic life. The 50-year lease of land is regarded as an operating lease to CLV and, based on the fair value of the land, £10.3 million of the capital receipt was treated as consideration for the granting of the operating lease. This element of the capital receipt is recorded as deferred income in the Balance Sheet and will be released to the Statement of Comprehensive Income and Expenditure in equal instalments over the life of the lease.

The buildings were treated as a disposal as their useful economic life was shorter than the 50-year lease granted to CLV. As such the substantial risks and rewards of ownership over their remaining useful economic life were transferred to CLV. The balance of the capital receipt (£10.0 million) was accounted for as disposal proceeds. Given that the buildings were held on the Balance Sheet at a carrying value of £7.7 million, the gain on disposal was therefore £2.3 million and this was recognised in the year ended 31 July 2016.

Pensions

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically)

an industry-wide scheme such as the Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in the Statement of Comprehensive Income and Expenditure in accordance with section 28 of FRS 102. The governors are satisfied that the Universities Superannuation Scheme meets the definition of a multi-employer scheme and have therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

t) Key sources of estimation uncertainty

Bad Debt Provision

Student and other receivables ([note 14](#)) are shown after deduction of an estimated provision of £5.3 million, following a review of the recoverability of balances outstanding at the year-end. This estimate is based on an analysis of payments received during the year in respect of debt that had been outstanding at the prior year-end on 31 July 2019.

Annual Leave Accrual

Accruals and deferred income ([note 16](#)) includes an estimated accrual of £6.2 million for untaken annual leave allowances on 31 July 2020, that averaged 14.8 days per FTE. This has been extrapolated from a representative sample of staff annual leave records. The movement of the accrual in the year is shown in staff costs ([note 6](#)).

Defined Benefit Pension Schemes

Goldsmiths participates in the Universities Superannuation Scheme (USS) and the London Pensions Fund Authority (LPFA). Both schemes are defined benefit schemes (or have defined benefit components) which are externally funded. During 2019-20, the trustees of both pension schemes have agreed recovery plans to fund past service deficits. The calculation of the Goldsmiths contribution to the deficit depends on a number of factors, including: salary increases, growth of staff numbers and the discount rate on corporate bonds. Management estimates these factors in determining the net pension provision in the balance sheet ([note 23](#)). The assumptions reflect historical experience and current trends.

In accordance with the requirements of the SORP, the University currently recognises a liability for its obligation to fund past deficits arising within the Universities Superannuation Scheme (USS).

A new recovery plan was put in place as part of the 2018 valuation, which requires payment of 2% of salaries over the period 1 April 2020 to 30 September 2021 and 6% of salaries over the period 1 October 2021 to 31 March 2028. The 2020 pension liability provision reflects this plan.

**Statement of comprehensive
income and expenditure**

Year ended 31 July 2020

Income	Note	2020 £'000	Restated 2019 £'000
Tuition fees and education contracts	1	100,216	99,228
Funding body grants	2	12,338	12,034
Research grants and contracts	3	4,837	6,126
Other income	4	12,450	15,057
Endowment and investment income	5	282	341
Total income		130,123	132,786
Expenditure			
Staff costs (excluding USS Pension movement)		95,526	83,620
USS Pension movement	23	(16,892)	23,679
Total staff costs	6	78,634	107,299
Other operating expenses		37,546	37,851
Amortisation of intangible fixed assets	10	1,399	1,856
Depreciation	11	10,367	10,084
Interest and other finance costs	7	2,310	2,168
Total expenditure		130,256	159,258
Deficit before other gains and losses		(133)	(26,472)
Gain on investments	19	30	177
Deficit before tax		(103)	(26,295)
Taxation	9	-	-
Deficit for the year		(103)	(26,295)
Actuarial (loss)/gain in respect of pension schemes	23	(14,671)	(2,273)
Total comprehensive (loss)/income for the year		(14,774)	(28,568)
Represented by:			
Endowment comprehensive income for the year		(122)	(43)
Unrestricted comprehensive (loss)/income for the year		(14,652)	(28,525)
		(14,774)	(28,568)

All items of income and expenditure relate to continuing activities.

Statement of changes in reserves

	Income and expenditure reserves			Total
	Restricted: endowment	Unrestricted	Revaluation reserve	
	£'000	£'000	£'000	
Balance at 1 August 2018 (restated)	15,027	31,813	46,212	93,052
Total comprehensive (loss)/income for the year	(43)	(28,525)	-	(28,568)
Transfers between revaluation and income and expenditure reserve	-	526	(526)	-
Total movement in reserves	(43)	(27,999)	(526)	(28,568)
Balance at 1 August 2019	14,984	3,814	45,686	64,484
Total comprehensive (loss)/income for the year	(122)	(14,652)	-	(14,774)
Transfers between revaluation and income and expenditure reserve	-	526	(526)	-
Total movement in reserves	(122)	(14,126)	(526)	(14,774)
Balance at 31 July 2020	14,862	(10,312)	45,160	49,710

The transfers between the revaluation and income and expenditure reserve represents the difference between the historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount, which was £526,000 (2019: £526,000).

Balance sheet
 as at 31 July 2020

Non-current assets	Note	2020 £'000	Restated 2019 £'000
Intangible fixed assets	10	2,677	3,702
Tangible fixed assets	11	138,570	142,345
Heritage assets	12	111	111
Investments	13	2,768	2,738
		144,126	148,896
Current assets			
Trade and other receivables	14	8,384	9,946
Cash and cash equivalents	15	22,059	29,225
		30,443	39,171
Creditors – amounts falling due within one year	16	(25,540)	(25,806)
Net current assets		4,903	13,365
Total assets less current liabilities		149,029	162,261
Creditors – amounts falling due after more than one year	17	(26,100)	(28,406)
Provisions			
Pension liabilities	23	(69,836)	(68,581)
Other	18	(3,383)	(790)
Total net assets		49,710	64,484
Represented by:			
Restricted reserves			
Income and expenditure reserve – endowments	19	14,862	14,984
Unrestricted reserves			
Income and expenditure reserve – unrestricted		(10,312)	3,814
Revaluation reserve		45,160	45,686
Total reserves		49,710	64,484

The financial statements were approved by Council on 29 April 2021 and signed on its behalf by



Dinah Caine CBE
Chair of Council



Professor Frances Corner OBE
Warden

Cash flow statement

Year ended 31 July 2020

Cash flow from operating activities	Note	2020 £'000	2019 £'000
Deficit for the year		(103)	(26,295)
Adjustment for non-cash items			
Amortisation of intangible fixed assets	10	1,399	1,856
Depreciation of tangible fixed assets	11	10,367	10,084
Heritage assets donation	12	-	(111)
Gain on investments	13	(30)	(177)
Increase/(decrease) in debtors	14	1,562	(2,766)
(Decrease)/increase in creditors	16, 17	(290)	1,813
(Decrease)/increase in pension provision	23	(14,641)	25,549
Increase/(decrease) in other provisions	18	2,593	(640)
		960	35,608
Adjustment for investing or financing activities			
Investment income	5	(242)	(291)
Interest payable	7	2,310	2,168
Endowment income	19	(40)	(51)
Capital grant income		(960)	(1,338)
		1,068	488
Net cash inflow from operating activities		1,925	9,801
Cash flows from investing activities			
Proceeds from sales of fixed assets		-	312
Capital grants receipts		1,075	1,458
Investment income	5	242	291
Payments made to acquire intangible fixed assets	10	(374)	(469)
Payments made to acquire tangible fixed assets	11	(7,136)	(5,950)
New non-current asset investments	13	-	(48)
		(6,193)	(4,406)
Cash flows from financing activities			
Interest paid	7	(671)	(697)
Interest element of finance lease	7	(413)	(513)
Endowment cash received	19	40	51
Repayments of amounts borrowed		(595)	(584)
Capital element of finance lease		(1,259)	(1,103)
		(2,898)	(2,846)
(Decrease)/increase in cash and cash equivalents in the year		(7,166)	2,549
Cash and cash equivalents at beginning of year		29,225	26,676
Cash and cash equivalents at end of year		22,059	29,225

NOTES TO THE FINANCIAL STATEMENTS

1. Tuition fees and education contracts

	2020 £'000	2019 £'000
Home/EU undergraduates: full-time	49,332	50,485
Home/EU postgraduates: full-time	9,774	10,266
Home/EU students: part-time	3,356	3,734
International students	34,261	31,316
Non-credit bearing courses and other fees	2,195	1,934
Research training support grants	1,298	1,493
	100,216	99,228

2. Funding body grants

	2020 £'000	2019 £'000
Recurrent grants		
Office for Students teaching grant	4,404	4,722
Research England research grant	6,464	5,992
Specific grants		
Office for Students/Research England other grants	753	567
Office for Students/Research England capital grants	717	753
	12,338	12,034

3. Research grants and contracts

	2020 £'000	2019 £'000
Research councils – UK	2,191	2,943
Research councils – EU	1,114	1,397
Research charities – UK	813	1,096
Research charities – EU	26	149
Research charities – Non-EU	341	121
Industry and commerce	199	248
Other	153	172
	4,837	6,126

4. Other income

	2020 £'000	2019 £'000
Residences, catering and conferences	7,164	9,593
Other services rendered	1,785	1,585
Other capital grants	242	585
Other income	3,259	3,294
	12,450	15,057

Included within other income is a £395,000 government grant from the Coronavirus Job Retention Scheme

5. Endowment and investment income

	2020 £'000	2019 £'000
Investment income on endowments	91	102
New endowments	40	51
Other investment income	151	188
	282	341

The source of grant and fee income, included in notes 1 to 4, is as follows:

Grant and fee income

		2020 £'000	2019 £'000
OfS	Grant income from the OfS	4,841	5,204
Other bodies	Grant income from other bodies	13,283	13,941
Taught awards	Fee income for taught awards (exclusive of VAT)	95,265	94,236
Research awards	Fee income for research awards (exclusive of VAT)	1,458	1,564
Non-qualifying	Fee income from non-qualifying courses (exclusive of VAT)	3,493	3,428
		118,340	118,373

6. Staff costs

	Underlying Expenditure	Annual Leave Accrual	Pension Provision Movement	2020
	£'000	£'000	£'000	£'000
Salaries and wages	68,503	1,762	-	70,265
Social security costs	6,732	181	-	6,913
USS pension scheme cost	10,066	287	(16,892)	(6,539)
LPFA pension scheme cost	2,832	62	2,251	5,145
Other pension costs	178	-	-	178
Restructuring costs	2,672	-	-	2,672
	90,983	2,292	(14,641)	78,634

	Underlying Expenditure	Annual Leave Accrual	Pension Provision Movement	2019
	£'000	£'000	£'000	£'000
Salaries and wages	63,973	142	-	64,115
Social security costs	6,353	14	-	6,367
USS pension scheme cost	8,386	22	23,679	32,087
LPFA pension scheme cost	2,505	4	1,869	4,378
Other pension costs	178	-	-	178
Restructuring costs	174	-	-	174
	81,569	182	25,548	107,299

Significant non-cash adjustments have been presented separately in the above table as additional information.

The significant increase in the annual leave accrual has arisen as a result of all staff being considered as falling within the definition of key workers under the UK government guidance for Covid-19, allowing them to carry forward 20 days of untaken annual leave at the end of the annual leave year on 31 August 2020 rather than the usual five days.

Emoluments of the Warden

Professor Frances Corner OBE	2020 £'000	2019 £'000
Basic salary	235	-
Pension contribution to USS	-	-
Other taxable benefits	5	-
	240	-
Mr Patrick Loughrey	2020 £'000	2019 £'000
Basic salary	-	207
Allowance	-	13
Pension contribution to USS	-	5
	-	225
Professor Elisabeth Hill	2020 £'000	2019 £'000
Basic salary	-	20
Allowance	-	13
Pension contribution to USS	-	6
	-	39

Professor Frances Corner OBE was appointed as Warden from 1 August 2019. Her emoluments are included in this year's disclosures.

Professor Elisabeth Hill was Acting Warden from 1 June 2019 until 31 July 2019. Professor Hill received an acting-up allowance totalling £12,571 for that period. Pension contributions to the Universities Superannuation Scheme were paid at the same rate as for other staff.

Mr Patrick Loughrey retired as Warden on 31 May 2019. Mr Loughrey left the defined benefit and defined contribution elements of the USS pension scheme on 1 October 2017 but had continued to make payments at a reduced rate in connection with death-in-service entitlements until his retirement.

Justification of the Warden's remuneration

The current Warden took up her appointment on 1 August 2019. The Warden is appointed by Council in accordance with the College's Statutes. The appointment reflected the need to attract and retain an exceptional leader with the experience and personal qualities to deliver significant organisational change.

A special meeting of the Remuneration Committee was held on Wednesday 3 April to determine the remuneration package for the Warden. In assessing the Warden's remuneration for 2019-20, the Committee received contextual data from the UCEA Senior Staff Remuneration Survey, including median pay from across the sector, which was also analysed by mission group, regional location and institutional income, and pre-92 Universities. The Committee also took account of the principles set out in the CUC Higher Education Senior Staff Remuneration Code and the UCEA's Pay ratios in English Higher Education Institutions to achieve a median pay ratio. The Committee were mindful of the need to appoint a candidate with academic credibility as well experience of leadership and management within the Higher Education sector. The Committee also took account of the specific responsibilities of the Warden including a turnover of £130 million; accountability for improving the College's TEF Bronze and other league table rankings as well as leading a programme of transformational change to deliver a more financially sustainable business model.

Warden's pay ratio

The Warden's basic salary as a multiple of the median basic pay of staff, where the median basic pay is calculated on a full-time equivalent basis for the salaries paid by Goldsmiths to its staff, was as follows:

	2020	2019
Professor Frances Corner OBE	6.1	n/a
Professor Elisabeth Hill	n/a	2.8
Mr Patrick Loughrey	n/a	5.9

The Warden's total remuneration as a multiple of the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by Goldsmiths to its staff, was as follows:

	2020	2019
Professor Frances Corner OBE	5.9	n/a
Professor Elisabeth Hill	n/a	5.1
Mr Patrick Loughrey	n/a	5.9

The relationship between the Warden's remuneration and that for all other employees shown above includes all academic and non-academic staff who are required to be included in real-time reporting to HMRC and who fall within the coverage requirements of the Higher Education Statistical Agency (HESA) Staff Record 2019-20. Comparative figures are stated on the same basis. They exclude the following types of staff:

- Agency staff
- Self-employed staff
- Staff working for Goldsmiths through an intermediary, such as a personal service company.

Higher paid staff

Remuneration of higher paid staff, excluding employer's pension contributions and payments of compensation for loss of office, falls in the following bands:

	2020 number	2019 number
£100,000-£104,999	1	2
£105,000-£109,999	1	1
£110,000-£114,999	1	-
£115,000-£119,999	-	1
£120,000-£124,999	2	1
£125,000-£129,999	-	-
£130,000-£134,999	1	-
	6	5

Compensation for loss of office

	2020 number	2020 £'000	2019 number	2019 £'000
<i>Compensation for loss of office recorded within staff costs was as follows:</i>				
Compensation for loss of office payable to other staff and number of people to whom this was payable	102	2,672	15	174

Compensation for loss of office was paid to 89 staff under the Voluntary Severance Scheme and a further 13 staff who received payments for other reasons.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. Staff costs include compensation paid to key management personnel, who comprise the College's Senior Management Team and the Chief Information Officer. Compensation consists of salary and benefits including any employer's pension contribution.

	2020 £'000	2019 £'000
Key management personnel compensation	958	883

Staff numbers

	2020 number	2019 number
Average staff numbers by major category:		
Teaching and research	685	669
Administrative and other	780	691
	1,465	1,360

Members of Council (who are trustees of the exempt charity) do not receive any remuneration. The total expenses paid to or on behalf of Council members was £2,838 (2019: £5,411). This represents travel and subsistence expenses incurred in attending Council, Committee meetings and Charity events in their official capacity.

7. Interest and other finance costs

	2020 £'000	2019 £'000
Loan interest	671	697
Finance lease interest	413	513
Net charge on pension schemes	1,226	958
	2,310	2,168

8a. Analysis of total expenditure by activity

	2020 £'000	2019 £'000
Academic departments' expenditure	53,508	50,762
Central academic services	21,416	21,175
Staff and student facilities	7,593	7,626
Student bursaries and scholarships	2,398	2,859
Other administration and central services	24,888	16,888
Premises	19,873	20,244
Residences, catering and conferences	9,918	8,337
Research grants and contracts	4,004	4,648
Pension provisions movements	(13,416)	26,507
Other expenses	74	212
Total	130,256	159,258
	2020 £'000	2019 £'000
Total expenditure includes:		
External auditors' remuneration in respect of audit of financial statements	68	57
External auditors' remuneration in respect of other audit services	8	8
Operating lease rentals (land and buildings)	6,370	4,751

8b. Access and participation

	2020 £'000
Access investment	1,637
Financial support	1,019
Disability support	912
Research and evaluation	382
Total	3,950

This expenditure includes staff costs of £2.277 million which are already reflected in the overall staff costs figures in these financial statements ([note 6](#)).

2019-20 is the first year of disclosure and there is no requirement to include comparatives for the prior year, as access and participation plans were not in place prior to 1 August 2019. Previously, higher education providers were required to have access agreements. Spend across the years under the different regulatory regimes is not comparable.

Our current Access and Participation plan is available at www.gold.ac.uk/governance/public-information/ofs

9. Taxation

Goldsmiths is an exempt charity under schedule 2 to the Charities Act 1993 and as such is a charity within the meaning of section 506(1) of the Income and Corporation Taxes Acts (ICTA) 1988. Accordingly, it is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 505 of the ICTA 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

10. Intangible fixed assets

	Software installed £'000	Software under commissioning £'000	Total £'000
Gross Book Value			
At 1 August 2019	10,930	545	11,475
Additions in year	187	187	374
Transfer assets on commissioning	210	(210)	-
At 31 July 2020	11,327	522	11,849
Amortisation			
At 1 August 2019	7,773	-	7,773
Charge for year	1,396	-	1,396
Impairment	3	-	3
At 31 July 2020	9,172	-	9,172
Net Book Value			
At 1 August 2019	3,157	545	3,702
At 31 July 2020	2,155	522	2,677

The figures above are in relation to the acquisition and installation costs of software that is not an integral part of associated hardware.

11. Tangible fixed assets

	Land and buildings			Fixtures, fittings and equipment £'000	Assets in the course of construction £'000	Total £'000
	Freehold	Assets held under finance leases	Other leasehold land and buildings			
	£'000	£'000	£'000			
Gross Book Value						
At 1 August 2019	187,570	12,542	10,494	21,382	1,526	233,514
Additions in year	2,163	673	-	1,439	2,317	6,592
Transfers from/(to) assets under construction	744	-	-	319	(1,063)	-
At 31 July 2020	190,477	13,215	10,494	23,140	2,780	240,106
Depreciation						
At 1 August 2019	65,954	9,807	1,805	13,603	-	91,169
Charge for year	6,210	660	429	3,003	-	10,302
Impairment	65	-	-	-	-	65
At 31 July 2020	72,229	10,467	2,234	16,606	-	101,536
Net Book Value						
At 1 August 2019	121,616	2,735	8,689	7,779	1,526	142,345
At 31 July 2020	118,248	2,748	8,260	6,534	2,780	138,570

A valuation of Goldsmiths' land and buildings was carried out in 1994 and details of the method of valuation with the name and qualifications of the valuer are given in the Accounting Policies. The historical cost of the properties valued in 1994 is £6.381 million.

A valuation of Goldsmiths' land was carried out in 2014 and details of the method of valuation with the name and qualifications of the valuer are given in the Accounting Policies. The historical cost of the land valued in 2014 was £6.213 million and the revalued amount was £48.160 million.

Included in Fixtures, fittings and equipment are indefinite-life assets of £23,000.

12. Heritage assets

In October 2018, following an application to the Arts Council's Acceptance in Lieu Panel, Goldsmiths acquired four valuable works of art, all by Albert Irvin. These had been accepted by HM government in lieu of inheritance tax from the estates of Albert and Betty Irvin. Under the conditions of acceptance, the agreed open market values remain confidential. These assets are held within tangible fixed assets as at 31 July 2020 and are valued in accordance with the amounts of tax settled by their acceptance. The assets are as follows:

Description	Tax valuation £'000
Late Last Night 1963	18
Into Black 2	18
Kastanien 2	35
Northcote 1989	40
	111

13. Non-current asset investments

	Endowments £'000	Other investments £'000	Total £'000
At 1 August 2019	2,710	28	2,738
Gain in market value	30	-	30
At 31 July 2020	2,740	28	2,768

Endowment investments represent permanent endowment funds that are invested with Goldsmiths' fund managers, CCLA, in its pooled Charities Ethical Investment Fund.

Other non-current asset investments are shown at cost and represent 240 £1 shares in i2 Media Research Ltd. and 27,782 ordinary shares, fully paid, in CVCP Properties plc. CVCP Properties plc is an unquoted company and the shares are stated at cost. In the Council's opinion, the market value of the investment is not materially different from the cost at the balance sheet date. A 25% interest in Museifi Limited, a spin-out from the Department of Computing, is carried at £nil.

Goldsmiths has two 100%-owned subsidiary companies:

- **Pure Goldsmiths Ltd.** This company was dormant at 31 July 2020.
- **Goldsmiths Accommodation Services Limited.** This company was set up alongside the transaction with Campus Living Villages (CLV) to provide marketing services to CLV for the halls of residences that are leased to them, for a charge equal to 2% of the total student accommodation fees received by CLV. The company began trading in September 2015 and revenue for the year ended 31 July 2020 was £72,128. The company has taken its entitlement to exemption from audit under Section 477 of the Companies Act 2006 relating to small companies.

14. Trade and other receivables

	2020 £'000	2019 £'000
Amounts falling due within one year:		
Research grants receivables	1,014	2,282
Student receivables	2,787	1,931
Other receivables	431	1,122
Prepayments and accrued income	4,152	4,611
	8,384	9,946

The overall bad debt charge for the year ended 31 July 2020 was £2.3 million (2019: £0.1 million).

15. Cash and cash equivalents

	2020 £'000	2019 £'000
Bank balances related to unrestricted funds	21,333	28,517
Bank balances related to endowment funds	726	708
	22,059	29,225

16. Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Unsecured loans	611	598
Obligations under finance leases	1,431	1,259
Trade payables	849	996
Social security and other taxation payable	1,920	1,840
Accruals	8,390	7,494
Deferred income	9,660	10,120
Other creditors	2,679	3,499
	25,540	25,806

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

Deferred income:		
Tuition and accommodation fees	2,887	4,564
Research grants and contracts	3,618	2,949
Other deferred income	1,294	1,155
Other grants	814	879
Amounts due to funding councils	822	453
Deferred capital grants	235	120
	9,660	10,120



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

	2020 £'000	2019 £'000
Unsecured loans	12,528	13,136
Obligations under finance lease (note 21)	1,897	3,328
Deferred income	11,675	11,942
	26,100	28,406
Analysis of unsecured loans:		
Due within one year (note 16)	611	598
Due between one and two years	623	606
Due between two and five years	1,949	1,903
Due in five years or more	9,956	10,627
Due after more than one year	12,528	13,136
Total unsecured loans	13,139	13,734

Unsecured loans comprises the following:

Lender	Year of inception	Original amount £'000	Original terms years	Term remaining years	Interest rate %	Total outstanding £'000
Lloyds Bank (fixed rate)	2006	6,850	30	16	4.980	5,148
Lloyds Bank (variable – base rate plus 0.2%)	2009	2,150	28	17	0.300	1,353
Royal Bank of Scotland (fixed rate)	2010	10,000	30	20	5.375	6,638
						13,139

The loan facilities have been provided unsecured, subject to Goldsmiths providing a negative pledge over all assets.

The finance lease relates to Loring Hall, a student residence on the New Cross campus.

Deferred income relates to operating lease payments received in advance for the granting of a 50-year leasehold interest to Campus Living Villages, of which £0.267 million was released during the year, £0.267 million will be released within one year, £0.267 million between one and two years, £0.801 million between two and five years and £10.34 million after five years or more.

18. Provisions for liabilities

	As at 1 August 2019	Movements in year			As at 31 July 2020
		Released	Added	Utilised	
	£'000	£'000	£'000	£'000	£'000
Staff restructuring	8	-	2,271	(9)	2,270
Other	782	(279)	868	(258)	1,113
	790	(279)	3,139	(267)	3,383

As at 31 July 2020, the provisions held principally reflect:

Staff restructuring

Costs largely associated with the voluntary severance scheme that was launched in January 2020. These costs were settled between August and December 2020.

Other provisions

Other provisions relate to a number of individually immaterial liabilities including appeals and complaints. The timeframe for utilisation varies by individual item.

19. Endowment reserves

	Restricted Permanent Endowments	Restricted Expendable Endowments	2020 Total	Restated 2019 Total
	£'000	£'000	£'000	£'000
Balance at 1 August 2019				
Capital	14,276	374	14,650	14,619
Accumulated income	274	60	334	408
	14,550	434	14,984	15,027
New endowments	13	27	40	51
Investment income	89	2	91	102
Depreciation	(170)	-	(170)	(170)
Other expenditure	(48)	(65)	(113)	(203)
Increase in market value of investments	30	-	30	177
Balance at 31 July 2020	14,464	398	14,862	14,984
Represented by:				
Capital	14,149	347	14,496	14,650
Accumulated income	315	51	366	334
Total	14,464	398	14,862	14,984
Analysis by type of purpose:				
Lectureships			1,855	1,815
Scholarships and bursaries			240	249
Research support			6	11
Prize funds			61	64
General			12,700	12,845
			14,862	14,984
Analysis by asset:				
Non-current asset investments			2,740	2,710
Cash and cash equivalents			726	708
Freehold land and buildings			11,396	11,566
			14,862	14,984

2019 comparatives have been restated to correct a material error in the classification of certain land and buildings within reserves.

On 18 January 1905 the Goldsmiths' Company granted land and buildings to the use of the College provided that they be held by the College for such charitable uses as the College, with the consent of the Goldsmiths' Company, determines, subject to being connected with the extension and diffusion of knowledge.

The land and buildings comprise the area described by a title deed named 'Main Site'. The land includes the areas now known as the Richard Hoggart Building, Whitehead Building and College Green. The parts of the Richard Hoggart Building itself that existed at the time of the grant were also included in the grant. The land covers an area of 6.92 acres and is included within tangible fixed assets as freehold land at a net book value of £8.996 million based on the 2014 revaluation. The building was included within tangible fixed assets on 31 July 2019 at a net book value of £2.570 million based on the 1994 revaluation. Further details on the revaluation methods are given in [note 11](#).

Prior to 2020 the revaluations of the land and building were included within the Revaluation Reserve. The opening balance of the Revaluation Reserve on 1 August 2018 has, therefore, been restated, reducing it by £11.736 million and the opening balance of the Restricted Permanent Endowment Reserve on 1 August 2018 has also been restated, increasing it by the same amount. The annual depreciation charge for the building of £170,000 has been charged to the endowment reserve and is shown separately within the table above.

20. Capital and other commitments

Provision has not been made for the following capital commitments related to property, plant and equipment at 31 July 2020:

	2020 £'000	2019 £'000
Capital commitments contracted as at 31 July 2020	1,589	4,417
	1,589	4,417

21. Lease obligations

Total undiscounted rentals payable under non-cancellable operating and finance leases for land and buildings are as follows:

	31 July 2020			31 July 2019		
	Operating leases	Finance lease	Total	Operating leases	Finance lease	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Payable during the year	6,370	1,673	8,043	4,751	1,616	6,367
Future minimum lease payments due:						
Not later than 1 year	5,827	1,731	7,558	6,573	1,673	8,246
Later than 1 year and not later than 5 years	7,199	2,092	9,291	11,667	3,824	15,491
Later than 5 years	1,977	-	1,977	4,395	-	4,395
Total lease payments due	15,003	3,823	18,826	22,635	5,497	28,132

22. Events after the reporting period

On 29 April 2021, the College agreed with Lloyds and Natwest to amend the terms of the senior facilities agreement, new revolving credit facilities and revision to the financial covenants. The new revolving credit facilities are bilateral facilities with Lloyds and Natwest that provide additional liquidity in periods of the year when cash balances are at their lowest. There are two facilities as follows:

- Facility A is £5.0 million for the 6 weeks until 24 September 2021
- Facility B is £7.0 million for the 6 weeks until 26 May 2022

Interest is payable on the cumulative amount drawn down on each facility. This is the aggregate of the Sterling Overnight Index Average (SONIA) and a margin of 3.5% per annum.

23. Pension schemes

	2020 LPFA £'000	2020 USS £'000	2020 Total £'000	2019 Total £'000
Opening balance as at 1 August	32,104	36,477	68,581	39,801
Amounts charged to staff costs:				
LPFA current service cost	5,143	-	5,143	3,629
McCloud past service cost adjustment	-	-	-	565
Net movement on USS provision (excluding interest charges)	-	(16,892)	(16,892)	23,679
	5,143	(16,892)	(11,749)	27,873
Amounts charged to interest	643	582	1,225	959
Actuarial loss/(gain)	14,671	-	14,671	2,273
Other movements (principally LPFA employer contributions)	(2,892)	-	(2,892)	(2,325)
Closing balance as at 31 July	49,669	20,167	69,836	68,581

The amounts charged to staff costs for USS in the above table are in respect of the agreed deficit reduction plan only. In all other respects the USS scheme is accounted for on a Defined Contribution basis with no provision recorded.

The two principal pension schemes for Goldsmiths' staff are the Universities Superannuation Scheme (USS) for academic, academic related and other senior staff and the London Pensions Fund Authority (LPFA) Local Government Pension Scheme (LGPS) for all other staff. The assets of the schemes are held in separate trustee-administered funds. The USS scheme is a hybrid pension scheme, providing defined benefits for all members, as well as defined contribution benefits. The LPFA is a fully defined benefit scheme. Both schemes are externally funded and are valued every three years by actuaries using the projected unit method, the rates of contribution payable being determined by the trustees on the advice of the actuaries.

The 2019 McCloud past service cost adjustment was a one-off adjustment as a result of the McCloud and Sargeant court rulings which concerned age discrimination within the Judicial and Fire pension schemes respectively.

Universities Superannuation Scheme

Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. Goldsmiths is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 'Employee Benefits', Goldsmiths therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the Statement of Comprehensive Income and Expenditure represents the contributions payable to the scheme. Since Goldsmiths has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

The total released to the Statement of Comprehensive Income and Expenditure is £16.310 million (in 2019 there was a charge of £23.946 million) as shown in notes [6](#) and [7](#).

Deficit recovery contributions due within one year are £0.946 million (2019: £0.809 million).

The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme was at 31 March 2018 ('the valuation date'), which was carried out using the projected unit method. A valuation as at 31 March 2020 is under way but not yet complete.

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

The 2018 valuation was the fifth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme were £63.7 billion and the value of the scheme's technical provisions were £67.3 billion indicating a shortfall of £3.6 billion and a funding ratio of 95%.

The key financial assumptions used in the 2018 valuation are described below.

Pension Increase (CPI)	Term-dependent rates in line with the difference between the Fixed Interest and Index-Linked yield curves, less 1.3% p.a.
Discount rate (forward rates)	Years 1-10: CPI +0.14% reducing linearly to CPI -0.73% Years 11-20: CPI+2.52% reducing linearly to CPI+1.55% by year 21 Years 21+: CPI+1.55%

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2018 actuarial valuation. The mortality assumptions used in these figures are as follow:

	2018 valuation
Mortality base table	Pre-retirement 71% of AMCOO (duration 0) for males and 112% of AFCOO (duration 0) for females.
	Post-retirement 97.6% of SAPS S1NMA 'light' for males and 102.7% of RFV00 for female
Future improvements to mortality	CMI_2017 with a smoothing parameter of 8.5 and a long-term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females

The current life expectancies on retirement at age 65 are:

	2018 valuation	2017 valuation
Males currently aged 65 (years)	24.4	24.6
Females currently aged 65 (years)	25.9	26.1
Males currently aged 45 (years)	26.3	26.6
Females currently aged 45 (years)	27.7	27.9

A new deficit recovery plan was put in place as part of the 2018 valuation and is set out in the new Schedule of Contributions dated 16 September 2019. This requires payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 and 6% of salaries over the period 1 October 2021 to 31 March 2028. The 2020 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2020	2019
Discount rate	2.59%	2.44%
Pension increases (CPI)	4.20%	2.11%

In accordance with the requirements of FRS 102 and the SORP, Goldsmiths has made a provision for this contractual commitment to fund the past deficit. In the prior year, the deficit payments were 5% of salaries up to March 2034.

This significant reduction in deficit contributions has given rise to a substantial reduction in the deficit provision which has decreased from £36.5 million to £20.2 million as shown in the table above. £16.1 million of this reduction is attributable to the change in the deficit contributions contractual commitment.

London Pensions Fund Authority Local Government Pensions Scheme

The London Pensions Fund Authority (LPFA) administered Local Government Pensions Scheme is valued every three years by a professionally qualified independent actuary using the projected unit credit method, the rate of contribution payable being determined by the actuary. The latest completed formal valuation of the fund was at 31 March 2019.

In order to assess the employer liabilities at 31 July 2020, the 31 March 2019 funding valuation liabilities have been rolled forward using financial assumptions that comply with FRS102.

Life expectancy assumptions are:

	2020	2019
Males retiring today	20.9	20.0
Females retiring today	23.8	23.3
Males retiring in 20 years	22.3	21.8
Females retiring in 20 years	25.2	25.2

Financial assumptions are:

	2020	2019
Discount rate	1.35%	2.10%
Pension increases	2.25%	2.40%
Salary increases	3.25%	3.90%

Assets

The return on the Fund (on a bid to bid value basis) for the year to 31 July 2020 is estimated to have been 5% (2019: 10%). The actual return on fund assets over the year may be different.

The estimated asset allocation for Goldsmiths at 31 July 2020 is as follows:

Asset breakdown				
	2020		2019	
	£'000	%	£'000	%
Equities	29,793	55	27,673	54
Target Return Portfolio	12,342	23	12,899	25
Infrastructure	3,749	7	2,910	6
Property	5,029	9	4,627	9
Cash	3,332	6	2,679	6
Total	54,245	100	50,788	100

The following results were measured in accordance with the requirements of FRS 102.

Statement of actuarial gains and losses

	Present value of defined benefit obligation		Fair value of scheme assets		Net liability recognised in the balance sheet	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Opening as at 1 August	(82,892)	(72,274)	50,788	45,005	(32,104)	(27,269)
Current service cost	(5,143)	(3,625)	-	-	(5,143)	(3,625)
Past service costs, including curtailments	-	(565)	-	-	-	(565)
Interest on assets	-	-	1,085	1,210	1,085	1,210
Interest on liabilities	(1,728)	(1,902)	-	-	(1,728)	(1,902)
Return on fund assets in excess of interest	-	-	1,658	3,302	1,658	3,302
Experience gain/(loss) on defined benefit obligation	(2,855)	30	-	-	(2,855)	30
Change in financial assumptions	(12,989)	(9,750)	-	-	(12,989)	(9,750)
Changes in demographic assumptions	497	4,145	-	-	497	4,145
Other actuarial gains/(losses)	-	-	(982)	-	(982)	-
Estimated unfunded benefits paid	22	22	-	-	22	22
Contributions by members	(878)	(697)	878	697	-	-
Contributions by employer	-	-	2,958	2,379	2,958	2,379
Estimated benefits paid	2,052	1,724	(2,074)	(1,746)	(22)	(22)
Administration costs	-	-	(66)	(59)	(66)	(59)
Closing defined benefit obligation	(103,914)	(82,892)	54,245	50,788	(49,669)	(32,104)



	31 July 2020 £'000	31 July 2019 £'000
Analysis of the amount shown in the balance sheet		
Scheme assets	54,245	50,788
Scheme liabilities	(103,914)	(82,892)
Deficit in the scheme – net liability recorded within pension provisions	(49,669)	(32,104)
	2020 £'000	2019 £'000
Analysis of the amount charged to staff costs		
Current service costs	5,143	3,625
Curtailments and settlements	-	565
Total operating charge	5,143	4,190
Analysis of amount charged to interest payable		
Expected return on assets (gain)	(1,085)	(1,210)
Interest on liabilities	1,728	1,902
Net charge to interest and other finance costs	643	692
Total charge to expenditure	5,786	4,882
Analysis of actuarial gain/(loss) in respect of pension schemes		
Return on fund assets in excess of interest	1,658	3,302
Experience gain/(loss) on liabilities	(2,855)	30
Change in financial assumptions	(12,989)	(9,750)
Changes in demographic assumptions	497	4,145
Other actuarial gains	(982)	-
Actuarial gain/(loss) in respect of pension scheme	(14,671)	(2,273)
	2021 £'000	
Projected pension expense for the following year		
Service cost	7,427	
Administration	71	
Net interest on liability/(asset)	655	
Net charge	8,153	

24. Related-party transactions

During the year ended 31 July 2020 Goldsmiths had transactions with a number of organisations that fall within the definition of Related Parties under FRS 102 'Related Party Disclosures'. Transactions are disclosed where members of Council and Key Management Personnel disclose an interest in a body with which Goldsmiths undertakes transactions. Due to the nature of Goldsmiths' operations and the composition of Council it is inevitable that transactions in the normal course of business will take place with organisations in which a member of Council may have an interest. All such transactions are conducted at arms-length and in accordance with Goldsmiths' Financial Regulations and normal procurement procedures.

The following are transactions between Goldsmiths and related parties where a member of Council or Key Management Personnel was also a director, trustee or member of Key Management Personnel of the related party.

	Income from related party	Expenditure to related party	Balance due to related party	Balance due from related party
	£'000	£'000	£'000	£'000
Subsidiaries				
Goldsmiths Accommodation Services Ltd	72	-	-	-
Relationships with Council members				
Goldsmiths Students' Union	-	1,278	-	-
King's College London	-	3	-	-
Advance HE	-	4	-	-
Imperial College	-	8	-	-
IDP Connect Ltd	-	37	-	-
Relationships with Key Management Personnel				
i2 Media Research Ltd	-	157	-	421
BALEAP - The Global Forum for EAP professionals	-	1	-	-
Wonkhe	-	8	-	-

Goldsmiths Accommodation Services Limited is a wholly owned subsidiary of Goldsmiths; the annual profit from the subsidiary is gifted to Goldsmiths under a deed of covenant.

The President of Goldsmiths Students' Union is a trustee of both Goldsmiths' College and Goldsmiths Students' Union. In 2019-20 Goldsmiths provided the Students' Union with a grant and support totalling £1.278 million. It also provided postage and telephony services and some small items of equipment at cost. In addition, Goldsmiths provided accommodation and use of the IT network to the Students' Union free of charge, at an estimated cost of £0.5 million.

Mr Ian Pleace, who was Goldsmiths' Director of Finance until 30 September 2019, was an independent member of the Audit Panel of the London Borough of Lewisham during the 2019-20 financial year.

Goldsmiths holds a 24% interest in i2 Media Research Limited, a media research and consultancy organisation that was a spin-out from the Department of Psychology. Mr Ian Pleace, who was Goldsmiths' Director of Finance until 30 September 2019, was a director of the company during the 2019-20 financial year. Included in Student and other receivables ([note 14](#)) is a provision for bad debt of £350,604 of the total debt of £420,724 due from i2Media which represents the total outstanding on 31 July 2020 excluding VAT.

The wholly owned subsidiary, Pure Goldsmiths Ltd, was dormant at 31 July 2020. Goldsmiths also holds a 25% interest in Museifi Limited, a media software provider, that is a spin-out from its Department of Computing. There were no transactions with either party during the 2019-20 financial year, no balances were due to or from them and they are not included in the schedule above

Goldsmiths has no connected charitable institutions.

25. Access funds from funding bodies

	2020 £'000	2019 £'000
Department for Education Teacher Training Bursaries		
Balance at 1 August 2019	22	194
Grant received from Department for Education	2,211	2,098
Disbursed to trainees	(2,216)	(2,270)
Balance at 31 July 2020	17	22

Funding body access grants are available solely for students, Goldsmiths acting only as a paying agent. The grants and related disbursements are therefore excluded from the Statement of Comprehensive Income and Expenditure.

26. Net debt reconciliation

	2019 £'000	Cashflows £'000	2020 £'000
Analysis of net debt:			
Cash and cash equivalents	29,225	(7,166)	22,059
Obligation under finance lease	(4,587)	1,259	(3,328)
Bank loans	(13,734)	595	(13,139)
Net cash/(debt)	10,904	(5,312)	5,592





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