

2021

ANNUAL REPORTS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 JULY 2021

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# CHAIR OF COUNCIL'S FOREWORD

It is a privilege for me to be able to introduce the Financial Statements for Goldsmiths, University of London, in my fourth year as Chair of Council. I am proud of how this extraordinary community has continued to deliver outstanding work throughout one of the most challenging periods in its history.

I would like to thank Goldsmiths staff, the Warden and Senior Management Team for working tirelessly throughout the pandemic and national lockdowns, to ensure the College delivers for our students. It is important to recognise the progress the College has made towards securing its future, while remaining resilient in a period of such uncertainty and challenge.

I would like to sincerely thank Council, particularly those independent members, for their sustained commitment throughout this past academic year. There have been a large volume of meetings and decisions to be taken, well above what would usually be expected from a governing body, in ordinary times. Your time and expertise has been invaluable in guiding the College through this extraordinary year.

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 to a blended model, 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.

Successive changes to higher education funding policy over the past decade, up to and including the £2 million annual income lost this year in London weighting and specialist subject premium, have made the operating environment increasingly challenging for the College. The development of a Recovery Programme over the reporting period of these accounts has been essential work, to prepare the College for a sustainable future.

The student experience, our world class research, student and staff support remain central priorities for the College. Council will continue to contribute to securing the College's future with the same commitment to promote and secure the interests of the College as has been displayed during this most testing of years.

**Dinah Caine CBE**  
**Chair of Council**



# WARDEN'S FOREWORD

It has been another remarkable year for Goldsmiths. Along with universities across the country, the Covid-19 pandemic has continued to have a significant impact on the experience of students and colleagues.

In the face of unimaginable disruption, we have truly come together. My thanks go to everyone in our community for the dedication and resilience they have shown at such a challenging time for the College.

At the time of writing, campus is coming to life once more as we welcome the start of a new term. The pandemic is far from over, but I'm hopeful that we can continue to navigate the uncertainty of the coming months together, with the hope of better days ahead.

Our work to tackle the climate emergency has continued apace this year, with the launch of our Environmental Enhancement action plan and the College's first Biodiversity Management Strategy. In May, we secured government grant funding of £5m<sup>1</sup> to install a low-carbon heating network across major College buildings. The project is set to save 1,100 tonnes of carbon each year and cut our gas usage by 75%<sup>2</sup>.

We continued to make progress on racial justice, with a new external co-chair recruited to the Race Justice Strategy Board, bringing valuable scrutiny and guidance to our work. We also developed a public consultation into the future of the four statues on the front of Deptford Town Hall. At the time of writing, the consultation is in its final weeks, and the results will inform discussions with Goldsmiths' Council over the future of the statues.

We finalised a Civic University Agreement in partnership with 11 other anchor institutions in Lewisham, from the local Council to charities, colleges and housing associations. Through these renewed partnerships, we are developing a range of new initiatives designed to benefit Lewisham's diverse communities and support the borough's recovery from Covid-19.

The coming year brings a crucial phase in the implementation of the College's Recovery Programme. This project, combined with the important work documented in these accounts, will be central to securing our long-term sustainability, ensuring Goldsmiths can serve its students and local community long into the future.

Many challenges lie ahead. But if the past year has taught us anything, it's that Goldsmiths is needed now more than ever.

**Professor Frances Corner OBE**  
**Warden**

<sup>1</sup>Public Sector Decarbonisation Scheme Grant Recipients  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1009374/psds-phase-2-grant-recipients.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1009374/psds-phase-2-grant-recipients.pdf)

<sup>2</sup>Goldsmiths gives low-carbon heating the 'green' light  
[www.gold.ac.uk/news/low-carbon-heating](http://www.gold.ac.uk/news/low-carbon-heating)

# COUNCIL AND COMMITTEE MEMBERSHIP

## Council

Ms Dinah Caine *CBE (Chair)*  
 Professor Frances Corner *OBE*  
 Professor David Oswell  
 Professor Elisabeth Hill  
 Sir David Reddaway *KCMG MBE*  
 Ms Lauren Corelli *(to 31 August 2021)*  
 Ms Sara Bafo *(from 1 September 2021)*  
 Oscar Hadwin-Guardiola  
*(to 31 August 2021)*  
 Professor Atau Tanaka  
*(to 13 May 2021)*  
 Dr Kiran Grewal  
*(from 1 September 2021)*  
 Mr Ben Fowler *(to 31 August 2021)*  
 Dr Elizabeth Williams  
*(from 1 September 2021)*  
 Dr Anna Carlile  
*(from 1 September 2020)*  
 Professor Anna Furse  
*(from 1 September 2020)*  
 Dr Naomi Thompson  
*(from 1 September 2020)*  
 Ms Irene Adeyinka  
*(from 1 September 2020)*  
 Dr Ronke Akerele  
 Ms Monika Barnes  
 Professor Susan Dilly  
 Mr Andrew Laurence  
 Mr Ravi Mahendra  
 Mr Ben Morton-Wright  
*(from 1 September 2020)*  
 Ms Lynn Pearcy *(Deputy Chair)*  
 Mr Aaron Porter  
 Ms Pam Raynor  
 Mr Philip Stoltzfus

## Audit and Risk Committee

Ms Pam Raynor *(Chair)*  
 Dr Ronke Akerele  
 Mr Oranye Emembolu  
*(from 1 September 2020)*  
 Mr Ravi Mahendra  
*(from 1 September 2020)*  
 Sir David Reddaway *KCMG MBE*  
*(from 1 September 2020)*

## Finance and Resources Committee

Ms Lynn Pearcy *(Chair)*  
 Ms Sara Bafo *(from 1 September 2021)*  
 Professor Frances Corner *OBE*  
 Professor Susan Dilly  
 Mr Ben Morton-Wright  
*(from 1 September 2020)*  
 Mr Philip Stoltzfus  
 Mr Gerald Lidstone  
*(from 1 September 2021)*  
 Mr Thomas Flynn  
*(from 1 September 2021)*

## Key Management Personnel

Professor Frances Corner *OBE*  
*(Warden)*  
 Professor Elisabeth Hill  
*(Deputy Warden)*  
 Professor David Oswell *(Pro-Warden)*  
 Professor Mark d'Inverno  
*(Pro-Warden to September 2020)*  
 Ms Helen Watson  
*(Chief Operating Officer)*  
 Mr Imran Chughtai  
*(Chief Financial Officer  
 from 31 August 2021)*  
 Ms Carol Ford  
*(Director of Human Resources  
 to 14 November 2021)*  
 Ms Susan Edwards  
*(Interim Director of Human Resources  
 from 15 November 2021)*  
 Ms Helen Cocker/Mr Philip Gourlay  
*(Interim Directors of IT&IS)*  
 Professor Michael Banissy  
*(Head of School of Professional  
 Studies, Science and Technology  
 to 30 September 2021)*  
 Dr Anna Carlile  
*(Head of School of Professional  
 Studies, Science and Technology  
 from 1 October 2021)*  
 Dr Stephen Graham  
*(Head of School of Arts & Humanities  
 from January 2020)*  
 Professor Matthew Cragoe  
*(Head of School of Culture & Society  
 from March 2021)*



# 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:

<b>Council</b>	Goldsmiths' overall governing body.
<b>FRS 102</b>	Financial Reporting Standard 102 is the UK accounting standard that Goldsmiths is obliged to follow, along with the Higher Education SORP (see below).
<b>NSS</b>	The National Student Survey, an annual exercise whereby final-year students contribute feedback on their Higher Education experience.
<b>OfS</b>	Office for Students, the sector's current principal regulator.
<b>QR funding</b>	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.
<b>REF</b>	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.
<b>SMT</b>	The Senior Management Team, which provides overall operational leadership to Goldsmiths.
<b>SORP</b>	Statement of Recommended Practice, which gives guidance on how to apply FRS 102 to the Higher Education sector.
<b>STEM</b>	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 <b>STEAM</b> subjects, where the 'A' stands for Arts.
<b>UKRI</b>	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 [27](#) 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 16 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 Bernardine Evaristo, James Blake, Julian Clary, 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 2021

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](http://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

The global pandemic saw the Goldsmiths' academic community focus on delivering teaching and the student experience. This limited capacity to create and undertake developments to our portfolio also prompted a strategic pause to review our portfolio of programmes and our curriculum, pedagogy and assessment approach. The former project has created efficiencies through programme and module reduction with the latter project seeking to improve the student academic experience through collective programme re-design using shared principles. The re-approval of current programmes will also permit departments to develop new programmes to address portfolio gaps and opportunities and will see us continue to develop distinctive new programmes, both on and off-campus, which are aligned to our research expertise and clear student demand.

Consideration will be 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 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 launch, our new Department of Law, within our School of Culture and Society, has again achieved intake targets set for our third entry cohort.

### Innovation in new academic programmes

#### 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

#### New programme approved for launch in September 2022

- MA International Retail Business, Sustainability and Technologies

## 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 & Student Experience Committee (LTSEC) which reports to the College's Academic Board.

Our key strategic priorities relate to an improved student experience and outcomes for all. These are being addressed within departments and across the College in a range of ways including to address student satisfaction, non-continuation, the award gap and graduate outcomes.

The Comprehensive Curriculum Review was established in 2020 to address the academic student experience and outcomes by reviewing curriculum, pedagogy and assessment against a set of student-centred principles. Student and future student insights as well as staff feedback and input from external sources have informed the development of curriculum principles. Curriculum, pedagogy and assessment re-design will be undertaken during 2021-22 and all curriculum will be delivered in line with the curriculum principles from 2023-24.

Online learning expertise developed during the Covid-19 pandemic and through our distance learning programmes is informing pedagogical developments. Goldsmiths' Teaching and Learning Innovation Centre (TaLIC) are supporting this change in a range of ways including through online and in-person activities.

In light of continued decreases in overall satisfaction, Academic Board commissioned a NSS Improvement Strategy as well as a Student Voice Review. In addition, the Dean of Students is leading work to support student satisfaction and retention through, for example, adaptations to the Personal Tutoring system and academic induction. Further developments to student data shared at department level enable departments to identify department plans reflecting their individual situations.

Work to improve student retention rates appears to have made some impact with the most up to date non-continuation rate having decreased from 12.7% to 11.8%. Although the benchmark has also decreased (from 9.2% to 8.3%), the College is closer to benchmark than we have been at any point in each of the last three years. Work continues to identify and address the key drivers of student non-continuation. This has resulted in changes to our personal tutoring system and academic induction for 2021-22 and is a core driver of our Comprehensive Curriculum Review project.

Year of entry

	2015-16	2016-17	2017-18	2018-19
<b>Non-continuation after first year of entry: UK-domiciled first degree entrants</b>	12.6%	12.4%	12.7%	11.8%

The new Employability Strategy is embedding employability skills and entrepreneurship across our programmes and is a core component of the CCR's curriculum principles to ensure consistency for all students.

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 Postgraduate Taught Experience Survey and the Postgraduate Research Experience Survey. The College's Academic Board reports to Goldsmiths' Council on performance in these areas.

### 3. MAKING A DIFFERENCE THROUGH OUR RESEARCH AND KNOWLEDGE EXCHANGE

Goldsmiths' research spans the arts, humanities, social sciences and computing. The mix of our disciplines, our interdisciplinary ethos, the blend of theory and practice, and the guiding concerns over fairness and social justice combine to create a research culture that is widely known for its inventiveness, imagination, but also deep-rooted commitment to social change.

#### REF 2021

In March 2021, Goldsmiths made its submission to the Research Excellence Framework (REF) 2021. This exercise provides the government with accountability for its investment in research, and also informs the selective allocation of funding for research at UK HE institutions. For the College, it also acts as its own research census and make meaningful connections with its entire research community and its work. A glance at our REF submission outcomes in numbers (31 July 2020) helps put the scale of this work into context:

- 496 academics submitted
- 66 early career researchers
- 681 postgraduate research degrees awarded
- 1,028 research outputs
- 93 practice research portfolios
- 41 impact case studies
- £36,507,000 in total research income

A selection of the research submitted as REF 2021 [Impact Case Studies](#) on the Goldsmiths website show how our research makes a difference on policy, place and people's lives as illustrated by the three examples below.

[Northern Ireland's WW1](#) (Richard Grayson, History): A new style of 'military history from the street' challenged the entrenched narratives of the First World War in Northern Ireland. Grayson's book, *Belfast Boys*, changed the local understanding of Belfast's war and directly inspired five new murals in the city which signal the lasting impact of this research on the community's understanding of their past and present.

[Improving police information gathering](#) (Fiona Gabbert, Psychology): Self-administered interview tools that elicit comprehensive memory accounts from witnesses, victims and informants in police investigations have improved the accuracy and quantity of the information collected. These new tools, including the Self-administered Interview and Timeline Technique are endorsed by the police service in England and Wales and used by police and security agencies around the world, including Norway, the Netherlands and Sweden.

[Critical Connections](#) (Vicky Macleroy, Educational Studies): Multilingual digital story telling has boosted language learning and digital skills, creating opportunities for young people to take pride in their heritage. Since the launch of Critical Connections in 2012, the project has engaged over 1,500 young people in a digital story telling community, informed teacher's classroom practice and transformed schools practice through more than a dozen partnership projects in six countries, including Algeria, Croatia, Cyprus and Taiwan.

### Research to address local, national and global challenges

Our research makes important contributions to cultural, social and economic well-being, locally, nationally and internationally. Some illustrative examples of externally funded research awards that started in 2020-21 are:

*Staging decadence: Decadent theatre in the long twentieth century.* (Adam Alston, Theatre and Performing Arts).

This fellowship award funded by the AHRC has two aims: (1) to lead a field of researchers and industry stakeholders in establishing and examining histories of decadent theatre in the long twentieth century (1880-2020); and (2) to conduct a more focused study of decadent theatre in the present moment. This research project will address how theatre makers have advanced the aesthetics and cultural politics of decadence. It is the first focused study of decadent theatre, and will result in two substantive research publications, and an innovative programme of leadership activities addressing specialists and the general public.

*Sonic Street Technologies (SST): their diaspora and what they tell us about technology and scientific knowledge* (Julian Henriques, Media, Communication and Cultural Studies). This project funded by the ERC will explore how 'sonic street technologies' (SST) provide a new, productive and urgently required understanding of the social, cultural and political nature of technology. Jamaican reggae sound systems, Brazilian mobile carnival trio *electrico*, Mexican *sonideros* and Colombian *los picos* are examples of such 'street' technologies. In the global south they are played out of doors and are an essential part of popular culture.

*PROTECT* (Naomi Thompson, Social, Therapeutic and Community Studies) is funded by Erasmus Plus and seeks to provide youth workers with targeted training materials to support the safeguarding of vulnerable, young people. The project is a response to the need for holistic packages of protective support implemented at the local level that incorporate protection against both online and offline grooming. It will also include a focus on community based and other safety, resilience and protection factors. The target group for such interventions is young people in disadvantaged communities who face a number of vulnerability factors including involvement with gangs, drugs or crime, engagement in risky and unsafe relationships, and young women in particular. A trans-national approach (involving partners from the UK, Poland, France, Cyprus and Turkey) will develop an innovative toolkit based on collaborative development activities that can be delivered locally and will fill an international gap in youth work training that is in need of an urgent fix.

Other externally funded grant successes we had in 2020-21 that illustrate the breadth of our research endeavour (and the diversity of funding sources) include:

Department/ project title	Principal investigator	Funder	Funding scheme	Value of the award
PSYCHOLOGY: Neurolive: The Neurocognition of Liveness	Guido Orgs	European Commission	Consolidator Grant	€1,927,120
COMPUTING: CHROMA – Advance Methods for Colour Formulation	Daniel Stamate	Innovate UK	Knowledge Exchange	£208,310
HISTORY: Venice: A New Imperial History	Anastasia Stouraiti	British Academy	Research Fellowship	£51,575

Throughout 2020-21, the College has also grown its activities to support local business growth and help unemployed local residents into work or study. 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.

### External grant capture

Figures on external research grants and contracts are shown in the table below. Evidence from our researchers suggests that a number of factors in 2020-21 impacted on their ability to seek and secure external research funding, including the disruption created by the Covid-19 pandemic, uncertainties over the continuation of European sources of funding (which represents a significant source of the funding for the College), as well as the UK government's sudden decision either to withdraw or reduce GCRF (Global Challenge Research Fund) research grants.

	2020-21	2019-20
Research grants and contracts £'000 [A]	6,014	4,837
Number of academics on teaching and research contracts (FTE basis) [B]	415	412.9
Research income per relevant academic [A]/[B]	£14,490	£11,715

### Researcher Training and Development

To support our research community, Goldsmiths has heightened its investment in 2020-21, to provide additional resources for the training and development for its researchers. This has included even closer joint working between HR and Research and Enterprise. In September 2020, Goldsmiths became signatories to the revised Concordat to Support the Career Development of Researchers (2019). Highlights of the additional investment in 2020-21 include the delivery of 12 research support events which attracted over 300 academic attendees, new and regular research funding communications, updates to the internal and external Researcher Development webpages and the appointment of a dedicated Research Training Officer to oversee a programme of research support events, a dedicated [Researcher Development Hub](#) (SharePoint) and Teams-based [Early Career Researcher Network](#). Building on these foundations, the College intends to heighten yet further these activities in 2021-22.

## 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.

Growing awareness of Goldsmiths' profile, research, academic programmes and distinctive pedagogy has supported year on year growth in international student numbers in the years leading up to 2019-20. International fee income also increased year-on-year, rising from £26.7 million in 2017-18 to £34.3 million in 2019-20.

In 2020-21 international recruitment was negatively impacted by the global Covid-19 pandemic, with restricted mobility of students due to health concerns, border controls and disruptions to international travel. This particularly impacted students applying to one-year programmes including postgraduate taught programmes, International Foundation Certificates and Graduate Diploma programmes. As a result, in 2020-21 international fee income dropped to £29.6 million, from £34.3 million in 2019-20, and the proportion of international (non-EU) students reverted to 2018-19 levels.

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
<b>Proportion of non-EU international students*</b>	17.6%	16.5%	17.4%	18.5%	20.7%	19.4%

\*as percentage of total student FTE

Student demand for overseas placements remained strong despite the pandemic. We supported 61 students to undertake an international placement between September 2020 to September 2021 (funding relates to the 2020-21 financial year). Of these, 19 students participated in person, and 42 participated virtually. 56% of these placements met our widening participation criteria. Nine students were funded by Erasmus Plus programme funding (6,869 euros), 26 were funded by Santander Universities (£26,191) and 16 were funded by Goldsmiths (£7,225). Seven students undertook fee-free virtual placements. Four widening participation students who completed Erasmus Plus study placements and traineeships students also received additional Access to Mobility funding (£3,200).

We also received 250 applications from students to go overseas during the period from summer 2021 through to July 2022, and have approved 165 applicants to go abroad. These comprise placements funded through both Erasmus Plus programme funding and Santander Universities funding.

We have received excellent participant feedback with the majority of participants reporting having gained professionally, academically and personally from the placement, including development of industry-specific or subject-specific skills, as well as soft skills.

We also successfully bid for Turing Scheme funding securing £95,000 to be spent between September 2021 and August 2022. Our Santander Universities funding has also been renewed until 2024 with £27,000 per year confirmed for Global Opportunities. We have Erasmus project funding for the next two years.

The International Development and Academic Partnerships (IDAP) team 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 that will create a significant legacy to what has been achieved in this partnership.

Our focus has now turned to developing new forms of engagement and collaborative activity across several departments as our legacy validation relationship enters the teach-out phase.

Over the last year, IDAP have invested more time and resource into the development of new collaborations with partners who share Goldsmiths' values and ambitions, and we are moving the following projects through our governance and approval processes:

The approval of two new validation partnerships who will accept their first cohorts in September 2022: Algebra University College (Croatia) and Athens Conservatoire (Greece) that bring in specialist expertise from our Institute of Management Studies and Departments of Computing, Design and Music

The approval of new articulation arrangements to facilitate the progression of talented students to our campus in London from UK foundation providers and Indian universities. Further articulation arrangements are being scoped or developed with partners across Africa, North America and Southeast Asia

Demand for new transnational education projects remains strong across several departments with potential projects under evaluation and/or development in Europe, East and Southeast Asia.

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

Since our foundation in 1891 as a technical college, Goldsmiths has sought to serve the educational needs of local people in New Cross and across the London Borough of Lewisham. We are a university committed to active engagement with our communities within South-East London, but also now across the whole of London and beyond. Our civic mission is underpinned by our principles of promoting access, recognising the power of diversity and creating change, locally and globally. We are acutely aware that we are located in an area of high deprivation. Lewisham remains amongst the most deprived local authority areas in England, with a third of children growing up in poverty. Goldsmiths, as one of the largest local employers, has a responsibility to work with our communities in order to serve them best – whether through our research, our teaching or through our involvement in a range of activities, from students volunteering in local charities and organisations to supporting and leading on strategic civic projects.

Following the Covid-19 pandemic, Goldsmiths recognised that our local communities needed our support even more than ever. Goldsmiths developed a new civic strategy in 2020-21, A Better World, Delivered Locally, which set out how we would play an even more significant role as a university – one that understands how we might deploy our strengths to help improve the lives of those living, working or studying locally and regionally. While this strategy includes a focus on our immediate locality of Lewisham, Goldsmiths will be actively seeking opportunities to expand our reach across Greater London and the Thames Estuary Production Corridor.

We state in that civic strategy that we will:

- root our work through collaboration and co-production with local partners and communities;
- contribute constructively to local culture, economy, health and wellbeing;
- and leverage our teaching, research and ideas, with mutual benefits for Goldsmiths and our partners and communities;

Our aim is to help co-create New Cross and its environs across Lewisham and South-East London as an economically vibrant, socially inclusive and just, and culturally rich and diverse series of places.

As an initial step to cementing this work, Goldsmiths convened a series of meetings with representatives from 11 other anchor institutions: The Albany; The Horniman Museum and Gardens; Lewisham and Greenwich NHS Trust; Lewisham College; Lewisham Council; Lewisham Homes; Lewisham Local; The Migration Museum; Phoenix

Community Housing; Trinity Laban Conservatoire of Music and Dance; and the 999 Club. These meetings explored how we might work even more effectively together to address significant challenges and they informed the development of a shared vision and action plan which is presented as a Civic University Agreement (CUA). The CUA, Together for Lewisham, sets out how Goldsmiths and our partners will work together to offer support and bring about change where needed.

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

The pandemic continued to present challenges in terms of ensuring the ongoing support of our student and staff community. Blended learning was established at the start of the year, but with further national lockdowns in January, learning once again moved online in the Spring Term for all but a small number of programmes.

In response to these new and continuing challenges, Goldsmiths continued to offer 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.

Additional hardship funds provided by the Office for Students helped to ensure we could support a wide range of students facing financial difficulties. In total, some £757,890 of hardship funding was distributed between November 2020 and July 2021, to over 792 students.

Throughout the year, additional wellbeing mentoring support was provided to 102 students to supplement other wellbeing support normally offered to students

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. In addition, we appointed a new Staff Assistance Programme provider, CiC, who continue to offer 24/7/365 support to staff, including counselling. This complements our internal staff counselling offer.

Throughout 2020-21 the standalone programme of activities under the umbrella of Staff Wellbeing engaged over 300 staff. This included our fitness classes, Tai Chi and the staff choir. Staff were also offered bespoke, interactive learning webinars, delivered by Kenton Lewis Associates around Navigating Uncertainty and wellbeing around returning to on-site working, and trained in mental health.

A new occupational health partner was also appointed, enabling us to offer enhanced wellbeing support for staff.



The College continues to build relationships with our alumni community. We are in touch with 75,000 alumni in 150 countries. Last year for the first time we participated in CASE's [Council for the Advancement and Support of Education] Alumni Engagement Metric (AEM), which enables institutions to measure alumni engagement across four 'modes': Philanthropic, Volunteer, Experiential, and Communications. We found that 12.5% of our alumni body had engaged with Goldsmiths (for example, giving a donation, volunteering, attending an event), against a UK average of 11.97%. In terms of volunteering, 174 alumni volunteers contributed 887.25 hours. This figure includes 70 alumni who participated as mentors on the Goldsmiths Mentoring Scheme to support BAME students, disabled students and Gold Award students; and 27 alumni who came 'back' to campus to share their Goldsmiths and career experience with alumni, students and prospective students.

## 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 few years, our IT strategy has increasingly focused on our business systems and digital capabilities. These business systems have been tested to their capacity to make remote teaching and working effective throughout lockdown due to Covid-19 and beyond, as we now move to a more remote working culture. They have coped very well and provided resilience at such an important and critical time.

Meanwhile the Estate had to be adapted during the 2020-21 academic year for study through the pandemic, including signage, one way systems and the challenge of timetabling socially-distanced teaching in a confined campus as well as setting up a lateral flow testing centre at a couple of weeks' notice.

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 experienced a significant reduction in cash balances by the end of the year as shown below. We have obtained medium-term liquidity support from our lenders while we cope with the impact of the pandemic and before any significant recovery is seen from September 2021.

	2016-17 £'000	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020-21 £'000
<b>Net cash inflow from operating activities</b>	10,929	11,009	9,801	1,925	2,524
<b>As a percentage of income</b>	9.5%	8.7%	7.4%	1.5%	2.0%
<b>Cash and cash equivalents at the end of year</b>	29,939	26,676	29,225	22,059	20,378

## 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 centred around 18 academic departments.

Professional Services are overseen by the Registrar and Secretary (Chief Operating Officer from April 2021) and the Director of Finance (Chief Financial Officer from September 2021). The COO is responsible for all student-facing services as well as governance, HR, and legal and marketing activities, Estates & Facilities, and IT & Information Services and fulfils the role of Registrar and Secretary under the Statutes.

During the 2020-21 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 <i>(to 31 December 2020)</i> Dr Stephen Graham <i>(from 1 January 2021)</i>	Professor David Oswell <i>(to 31 December 2020)</i> Professor Matthew Cragoe <i>(from 1 March 2021)</i>	Professor Michael Banissy <i>(to 30 September 2021)</i> Dr Anna Carlile <i>(from 1 October 2021)</i>
Departments	<ul style="list-style-type: none"> <li>▪ Art</li> <li>▪ Design</li> <li>▪ English &amp; Creative Writing <i>(formerly English &amp; Comparative Literature)</i></li> <li>▪ History</li> <li>▪ Music</li> <li>▪ Theatre &amp; Performance</li> </ul>	<ul style="list-style-type: none"> <li>▪ Anthropology</li> <li>▪ Law</li> <li>▪ Media, Communications and Cultural Studies</li> <li>▪ Politics &amp; International Relations</li> <li>▪ Sociology</li> <li>▪ Visual Cultures</li> </ul>	<ul style="list-style-type: none"> <li>▪ Computing</li> <li>▪ Educational Studies</li> <li>▪ Institute for Creative and Cultural Entrepreneurship (ICCE)</li> <li>▪ Institute of Management Studies (IMS)</li> <li>▪ Psychology</li> <li>▪ Social, Therapeutic and Community Studies (STaCS)</li> </ul>

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 (to 31 December 2020) Head of the School of Arts and Humanities**  
Professor Elisabeth Hill
- **Pro-Warden for Research & Enterprise; and (to 31 December 2020) Head of the School of Culture and Society**  
Professor David Oswell
- **Head of the School of Arts and Humanities (from 1 January 2021)**  
Dr Stephen Graham
- **Head of the School of Culture and Society (from 1 March 2021)**  
Professor Matthew Cragoe
- **Head of the School of Professional Studies, Science and Technology**  
Prof Michael Banissy (to 30 September 2021)  
Dr Anna Carlile (from 1 October 2021)
- **Registrar and Secretary (to April 2021); and Chief Operating Officer (from April 2021)**  
Helen Watson
- **Interim Director of Finance (to 31 July 2021)**  
Nirmal Borkhataria
- **Chief Financial Officer (from 31 August 2021)**  
Imran Chughtai
- **Director of Human Resources (to 14 November 2021)**  
Carol Ford
- **Interim Director of Human Resources (from 4 October 2021)**  
Susan Edwards

## 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 28-29](#). Before the pandemic we were reporting small deficits, however, we were generating moderate positive net cash inflow from operating activities. 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.

Management measures underlying financial performance after excluding certain gains and costs, as shown in the table below.

Over the last two financial years, along with the wider economy, we have experienced a financial shock from Covid-19. Our underlying deficit rose to £12.0 million in the 2019-20 financial year and our cash balances fell by £7.2 million, following the outbreak of the pandemic earlier that financial year, which had an immediate impact on our residences and other sources of income as well as creating a number of new cost pressures.

In 2020-21, despite further losses in income, particularly from overseas students' tuition fees, we were able to manage the underlying deficit to £6.5 million, having taken measures to control costs from early in 2020. Over the same period our cash balances have fallen by £1.7 million.

An important first step in our recovery was a voluntary severance scheme (VSS), which was launched in January 2020 and remained open until July 2020, with the majority of the staff cost savings coming in 2020-21. The scheme was also extended for one month in March 2021. Alongside this additional controls over staff recruitment and non-staff costs were introduced in early 2020. Our capital expenditure programmes were also reduced to a maintenance basis to conserve cash and the one major capital programme under way, to build an Enterprise Hub, was cancelled.

Our Recovery Programme was launched in January 2021, aiming to make significant ongoing additional reductions in staff and non-staff costs totalling £9.0 million per annum over the two years to 2022-23.

### 2020-21 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 2020-21 financial performance.

In summary, the 2020-21 financial headlines are as follows:

- The reported financial performance for the year is distorted by a number of items, including charges and credits in connection with the valuations of the LPFA and USS pension schemes, as well as staff restructuring costs including the VSS scheme, impairment of the enabling costs of the Enterprise Hub, and an investment gain in the value of our endowment fund. As shown in the table below we have removed these from our analysis of underlying performance.
- Total income fell by 2.8% to £126.4 million, largely driven by the impact of Covid-19 on overseas student recruitment.
- Excluding the USS pension credit, total expenditure fell by 4.2% to £140.9 million. This was as a result of the VSS and other actions taken to control staff and non-staff costs.
- As demonstrated in the table below, the underlying deficit position, after adjusting for the above items, has improved significantly from £12.0 million to £6.5 million.

	2020-21 £ million	2019-20 £ million
<b>Reported deficit</b>	<b>(12.7)</b>	<b>(0.1)</b>
USS credit	(1.3)	(16.9)
LPFA pension charge	5.7	2.3
Staff restructuring costs (VSS)	1.3	2.7
Impairment of Enterprise Hub	0.9	-
Gain on investments	(0.4)	-
<b>Underlying deficit</b>	<b>(6.5)</b>	<b>(12.0)</b>

The net cash inflow from operating activities was £2.5 million (2020: £1.9 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 as at 31 July 2021 were £20.4 million, £1.7 million lower than at the same point in 2020.
- Net assets decreased by £11.2 million from £49.7 million to £38.5 million as a result of the 2020-21 deficit of £12.7 million, offset by a favourable actuarial movement in the LPFA pension scheme of £1.6 million.

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

### Income

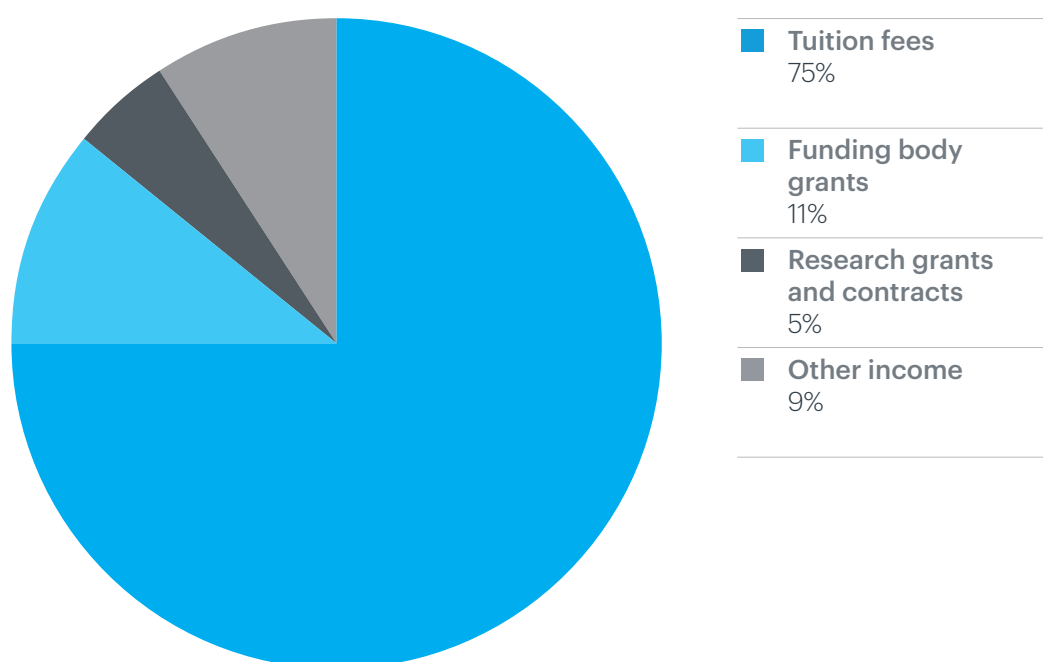
In common with all UK universities, our funding structure has changed significantly over the past 15 years.

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 75% of income in 2020-21). 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.

## 2020-21 Sources of income



### Income: Tuition fees

The majority of our income (75%) is derived from tuition fees. Of this, just under half is in respect of Home/EU undergraduate tuition fees. These fees are subject to a regulated cap which has been fixed from 2017-18 at £9,250 per annum. Accordingly, the only way to grow our largest single source of income in order to cover rising costs was to increase student numbers. In more recent years, however, our home/EU undergraduate intakes have been in decline. As a result, in recent years we have been placing more emphasis on postgraduate recruitment, particularly of international students, with some success. In the two years to 2019/20 our total income from international students increased by 27.5% and although it fell in 2020-21 due to the impact of the pandemic it remains an area of focus for growth.

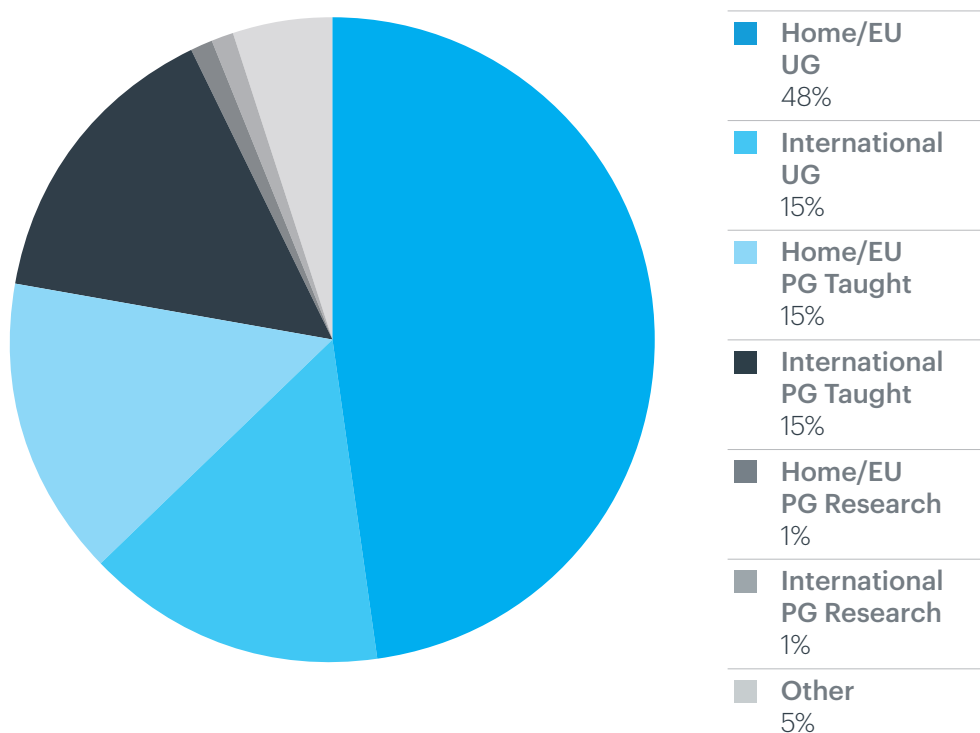
Following the 2017 election, the Government launched a Post-18 Education and Funding review (the so-called 'Augar Review') which reported in May 2019. This recommended fees of £7,500 for Home/EU undergraduates and a reallocation of teaching grant to 'higher value' subjects. These recommendations have not yet been implemented and there were no announcements on University funding in the autumn 2021 comprehensive spending review, but the risk of a change in government policy in the future remains. This could, as well as a reduction in the headline fee level, also include a cap on student numbers, either in total or based on some other criterion such as entry grade tariff.

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 30% of tuition fee income in 2020-21.

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

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.

### 2020-21 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 11% of income in 2020-21. 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, the census date was 31 July 2020 and outcomes are 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.

On 20 July 2021, following a consultation period, the Office for Students confirmed that it was abolishing the London Weighting element of the teaching grant and reducing the funding for high-cost art subjects. The impact on the College's grant is a reduction of £2.0 million per annum with effect from the 2021-22 financial year compared to the previous level of funding.

## 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.

## 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 2020-21

In 2020-21, income fell by 2.8% to £126.4 million (from £130.1 million), reflecting:

- A reduction in tuition fee income, which fell by 5.0% from £100.2 million to £95.2 million. This was largely as a result of reduction in overseas student recruitment due to the Covid-19 related travel restrictions in place in summer and autumn 2020, with overseas student income falling by £4.6 million.
- An increase in government funding body grant income of £1.3 million. This largely related to one-off grants from the Office for Students to support student hardship and from Research England to maintain research infrastructure during the pandemic.
- An increase in research grant income of £1.2 million from £4.8 million to £6.0 million, of which £0.9 million related to an increase in EU grants. Research grant income is recognised in line with related expenditure and a number of large EU grants which were awarded to the College in 2019-20 began to incur a full year of expenditure in 2020-21.
- A decline in other income of £1.1 million, largely related to the refunds to students of accommodation fees due to the extended lockdown in the winter.
- 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 2020-21, our staff costs stood at 65.0% of total costs, excluding the USS provision movement. Although it is not possible to make a direct comparison to the Higher Education sector average, due to variations in institutional pension arrangements and approaches to in or outsourcing of certain services, it is a high proportion. It partly reflects the recent insourcing of our cleaning and security services, but also 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, had been rising faster than our income has grown, leading to underlying deficits that were unsustainable in the medium-term. The College has therefore been 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, the savings arising from the scheme, through posts that were not replaced or have been replaced at lower grades, was £2.6 million for 2020-21 rising to a full-year saving of £3.1 million from 2021-22.

There was also an extension of the 2020 scheme which ran for one month in March 2021. 38 staff submitted successful applications at a total cost of £0.9 million. As the majority of these staff left the College in July 2021, the majority of the savings, which are forecast to total £1.3 million, will come in 2021-22, taking the total annualised savings resulting from the two tranches of the VSS scheme to £4.4 million.

In January 2021 the College launched its Recovery Programme, a change management programme which aims to reduce annual costs by a further £9.0 million by 2022-23, with a £3.0 million reduction in academic staff costs, £3.0 million reduction in non-academic staff costs and £3.0 million reduction in non-staff costs.

## 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 1,422 Full-Time Equivalent (FTE) staff, including 676 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 insured 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 has reduced its level of capital expenditure significantly compared with historical norms. This was against a backdrop of lower income and capital grant funding, with increased pressure placed on our operating cash flow and a desire to maintain sustainable cash balances.

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 underlying depreciation and amortisation charges (excluding the one-off impairment of the enabling works for the Enterprise Hub project), which had risen significantly in the years leading up to 2019-20, have begun to stabilise and are expected to fall in future years.

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).

## 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 Natwest Bank and Lloyds, together with a finance lease in respect of our Loring Hall student accommodation. Together, these arrangements represent £14.4 million of borrowing. There are also two credit facilities that are bilateral facilities with Lloyds and Natwest that provide additional liquidity in periods of the year when cash balances are at their lowest as follows:

- Facility A is £5.0 million for the 6 weeks until 24 September 2021, which has not been utilised
- Facility B is £7.0 million for the 6 weeks until 26 May 2022.

Over the last six years, our level of borrowing has fallen by £10.8 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 relatively high compared to current rates, as the majority of the amounts borrowed are on standard repayment terms at fixed rates of interest of between 5% and 6% that were negotiated several years earlier in a higher rate environment.

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 USS valuation and schedule of contributions used in the 2019-20 financial statements resulted in a reduction in the provision of £16.3 million to £20.2 million, of which £16.9 million was a credit to expenditure shown within staff costs and £0.6 million a charge within interest payable. On 31 July 2021 the 2020 USS valuation was not complete and the 2018 valuation was used again to calculate the provision, resulting in a reduction of £1.3 million as the year's provision was released against the College's cash contributions towards staff pensions incurred in the year. The 2020 valuation was completed on 1 October 2021, resulting in a dual schedule of contributions. There are two schedules of contributions, which one is adopted will depend on whether or not the changes to benefits recommended by the Joint Negotiating Committee (JNC), which are currently subject to member consultation, are adopted and whether the JNC recommended deed on benefit changes is executed by 28 February 2022. In either scenario, however, the provision will greatly increase due to the increased duration of the deficit recovery payments required. Further information is given in [notes 22](#) and [23](#) of these financial statements.

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 LPFA 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 2021 is used in these Financial Statements. The result has been that the total liability increased by £4.8 million from £49.7 million to £54.5 million. In the Statement of Comprehensive Income and Expenditure, £5.7 million has been charged to staff costs (2020: £2.3 million), £0.7 million has been charged to interest payable (2020: £0.6 million) and £1.6 million credited to other comprehensive income (2020: £14.7 million charge).

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 2020-21

Excluding the USS pension movement in 2020-21, expenditure charged to the Statement of Comprehensive Income and Expenditure fell by 4.2% to £140.9 million (from £147.1 million).

Staff costs, excluding the USS pension provision movement, fell by 3.9% from £95.5 million to £91.8 million partly as a result of the voluntary severance scheme and other action taken to control staff recruitment. This also included a reduction in the annual leave accrual for untaken staff leave on 31 July 2021, which fell by £1.4 million compared to 31 July 2020 as a result of a change in internal policy that reduced the allowance for staff to carry forward untaken annual leave into the next leave year from 20 days to 10 days and a correction to the basis of computation. The normal allowance is 5 days and the increased allowances over the last two years were to take account of Covid-19 restrictions. From 2021-22 the allowance will reduce to its normal level. However, these expenditure reductions were partly offset by an increase in the non-cash charge to staff costs related to the LPFA liability of £3.4 million.

Other operating expenses fell by 6.5% from £37.5 million to £35.1 million. This was as a result of new controls over procurement that were introduced in early 2020 following the outset of the pandemic and reductions in the non-staff cost budgets set for 2020-21 in spring 2020. It also included a £1.7 million reduction in charges for bad debts, compared to 2019-20. Additional costs directly related to Covid-19, such as protective equipment and testing were offset by savings related to the restrictions on travel and other activity resulting from the lockdown.

Total depreciation and amortisation charges increased by 4.9% to £12.3 million, but this included the one-off impairment of the Enterprise Hub enabling costs of £0.9 million, so the underlying change was a reduction of 2.4%.

Interest charges fell by 24.8% from £2.3 million to £1.7 million. The £0.6 million reduction largely related to a reduction in the interest charge on the USS pension provision which has stabilised following an increase in 2019-20 to adjust for the 2018 valuation.

### Cash flow and balance sheet

#### Cash flow

In 2020-21, the net cash inflow from operating activities was £2.5 million (2020: £1.9 million). The low level of operating cash inflow reflects the underlying deficits.

Total cash balances on 31 July 2021 were £20.4 million, £1.7 million lower than at the same point in 2020.

Capital expenditure on a cash basis totalled £2.7 million (2020: £7.5 million) in the year. During 2020-21, capital expenditure was on a maintenance basis only, largely comprising safety compliance works and replacement IT and AV equipment.

The cash cost of servicing debt and the finance lease was £3.0 million (2020: £2.9 million).

**Balance sheet**

Net assets decreased by £11.2 million from £49.7 million as at 31 July 2020 to £38.5 million as at 31 July 2021, reflecting the reported deficit for the year of £12.7 million less the credit to other Comprehensive income of £1.5 million related to the actuarial valuation of the USS pension scheme. After continued repayment of debt principal, external loan and finance lease balances stood at £14.5 million at 31 July 2021 (2020: £16.5 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. Although the issues around the pandemic have begun to stabilise, following the recent lifting of most restrictions and gradual return towards normal as we

move forward, many other risks and challenges remain. 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

As a result of the impact of Covid-19, our financial performance has been under pressure and we have had two years of significant underlying deficits and negative total cash flows. In 2021-22 we face further pressures including the £2.0 million annual reduction in teaching funding and the revaluation of the USS pension scheme, which will result in a very significant non-cash pension charge and may also, depending on whether the changes to benefits proposed by the Joint Negotiating Committee can be adopted, result in much higher employer cash contributions into the scheme. Our financial performance is also well below Higher Education sector norms. This emphasises the need for continued focus on achieving a sustainable level of surplus and operating cash flow.

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

- The ongoing management of the Covid-19 pandemic including the return to a more normalised operating environment and the continued easing of border restrictions.
- 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.
- Provision of new courses for growth areas in the wider economy
- The diversification of income streams where possible.

### 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:

- 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 led to a staff cost reduction (excluding the USS pension provision movement) of £3.1 million in the year ending 31 July 2021.
- The Recovery Programme, a change management programme which aims to further reduce annual costs by £9.0 million over the two years to 2022-23. This planned reduction comprises a staff cost reduction of £4.0 million in 2021-22 rising to a cumulative £6.0 million from 2022-23, split equally across academic and non-academic staff, along with a planned non-staff cost reduction of £2 million in 2021-22 rising to a cumulative £3 million from 2022-23.
- 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 has 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 loan facilities, including term loan facilities of £6.2 million provided by Lloyds Bank Plc ('Lloyds') and a term loan facility of £6.3 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, which has not been utilised
- 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.

Council has carried out an assessment of the College's ability to continue as a going concern by reviewing financial forecasts to 31 July 2023. Those forecasts are based on the actual student recruitment level for the 2021-22 academic year. These forecasts also include a range of possible downside scenarios, with a range of student recruitment rates for 2022-23. Council 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 will reduce the College's annual teaching grant income by approximately £2 million per annum with effect from the 2021-22 financial year.

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. Therefore, Council, after making appropriate enquiries and taking into consideration the risks and uncertainties facing the College, on [page 26](#), 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 from 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. 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 continuing to conserve 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 2021' 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 2020-21

##### 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 2020-21 is as follows:

The number of employees who were relevant union officials during the year totalled 21 staff (9.09 full-time equivalent).

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

Percentage of time	2021	2020
	Number of employees	Number of employees
0%-50%	20	19
51%-99%	1	0
99%-100%	0	0

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

The percentage of total salary costs spent on facility time totalled 0.16%.

As a percentage of total paid facility time hours, 57% 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" and that there is generally a sound system of internal control, designed to meet the institution's objectives with consistent application of controls across the areas reviewed in 2020-21. Seven of the eight planned audits were completed in the 2020-21 financial year. The audit relating to Cyber Security and GDPR compliance was moved to 2021-22 to enable more of a focus on the readiness for ongoing remote working. The total number of internal audit recommendations raised during the period was 26 (with 3 'High' priority recommendations) compared to 37 (with no 'High' recommendations) in 2019-20; demonstrating a continued enhancement in controls across the institution and highlighting where improvement to controls may still be required. 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, financial controls, data quality and IT resilience. 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 and these opportunities will continue to be realized in future financial years.

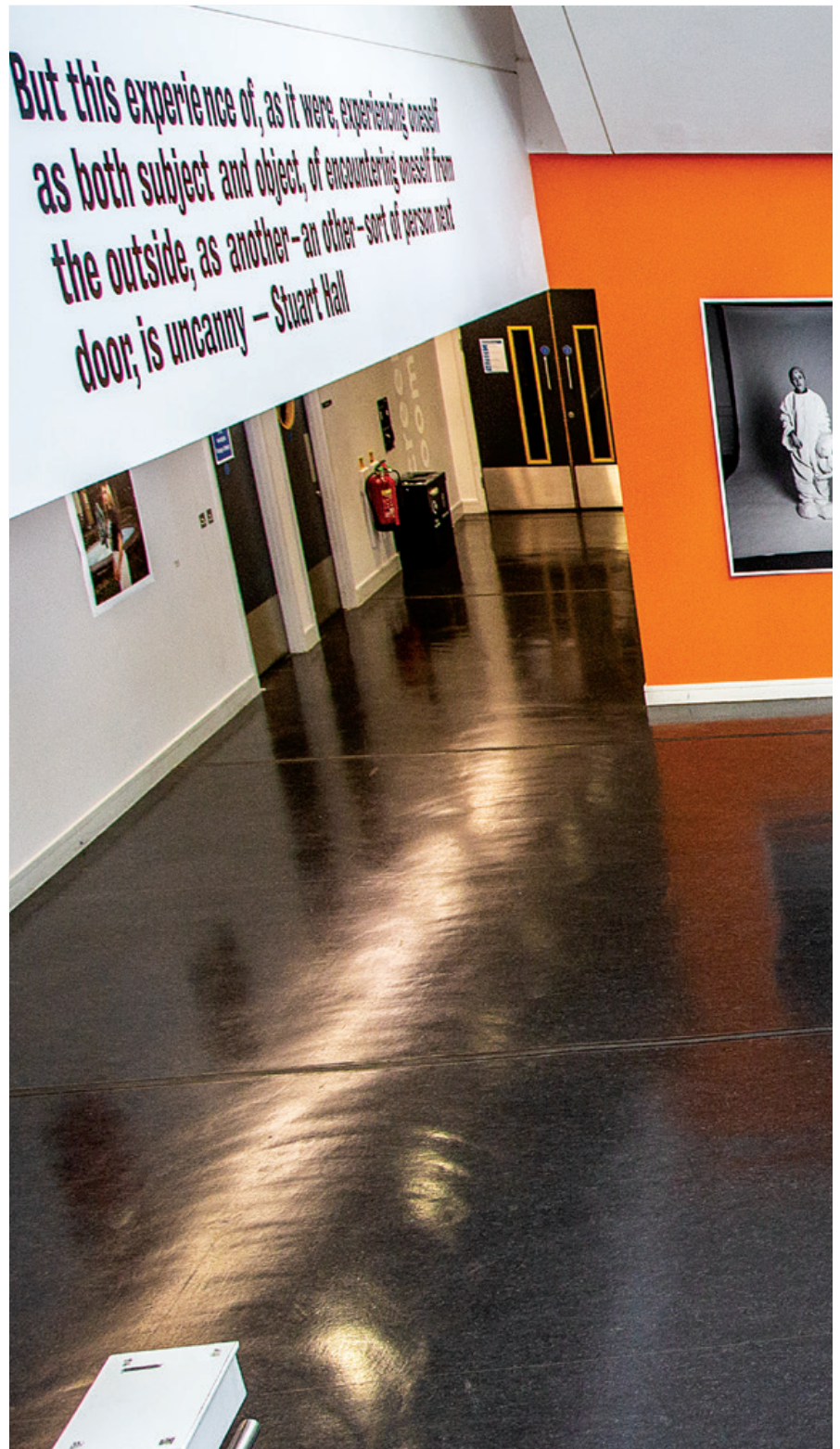
The College has continued enhancing its approach to risk management throughout 2020-21 to ensure that risk management was effectively integrated at all levels within the College as well as providing strategic oversight of the bigger risks. The risk management policy revised in the last financial year continues to be applied and enables the institution to demonstrate an ongoing commitment to a more holistic approach with a greater emphasis on individual responsibility for risk management.

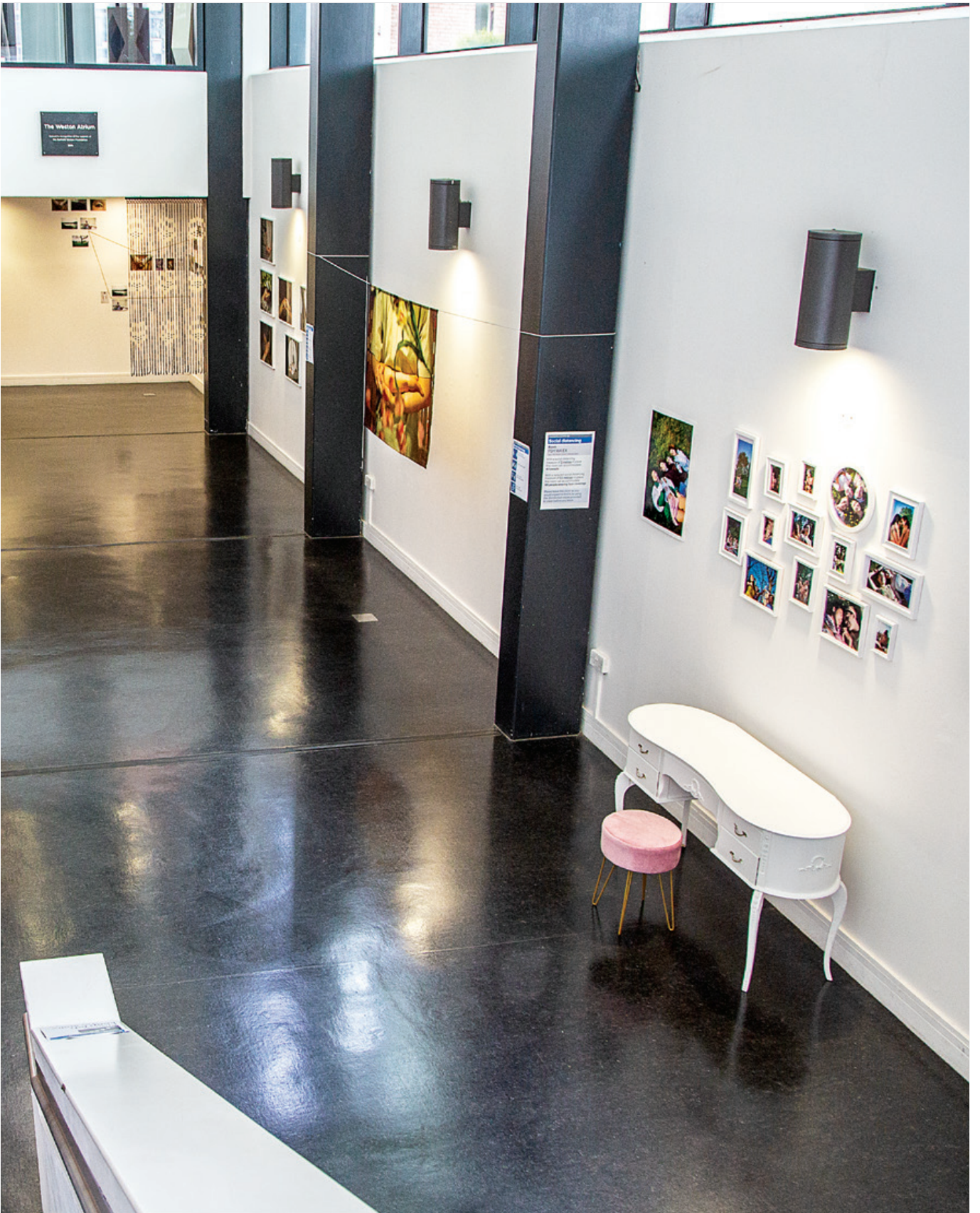
A number of statutory and regulatory compliance steering groups were integrated into the assurance mechanisms for the Audit and Risk Committee in the last financial year and have continued to operate during 2020-21. The Safeguarding Steering Group, Information Security Steering Group, Data Management Leadership Group and Office for Students Steering Group, continue to 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 continued to receive 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 where applicable.

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 continued to see unprecedented change for the institution and therefore its operations and risk management have been continuously revised to meet these new circumstances; a Covid-19 recovery risk register was developed to capture and monitor the risks in the last financial year and continues to be updated whilst the effects of the pandemic continue. The Senior Management Team, Audit and Risk Committee and Council regularly review this register, alongside the other risk registers in force across the institution, and considered whether the risks and indicators are accurate and mitigations are sufficient. Each body continues to consider 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 continues to receive an annual report concerning the management of risk; this report has been revised to respond to the materially changed operating environment.

Dinah Caine CBE  
Chair of Council





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

## Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2021 and of the College's income and expenditure, gains and losses, changes in reserves and cash flows for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

We have audited the financial statements of Goldsmiths, University of London ('the College') for the year ended 31 July 2021 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).

## 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Independence

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.

## Conclusions relating to going concern

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

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

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

## Other information

The Council is 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, Corporate governance and internal control statement 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) 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 Council member's responsibilities statement, 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 is 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 intends 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.

### Extent to which the audit was capable of detecting irregularities, including fraud

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

Based on our understanding of the College and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to their registration with the Office for Students, and we considered the extent to which non-compliance might have a material effect on the

financial statements or their continued operation. We also considered those laws and regulations that have a direct impact on the financial statements such as compliance with the Accounts Direction OfS 2019.41 and tax legislation.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

The audit procedures to address the risks identified included:

- Challenging assumptions made by management in their significant accounting estimates in particular in relation to the pension provision, defined benefit pension scheme and provision against student and other debtors;
- Identifying and testing journal entries, in particular any journal entries posted from staff members with privilege access rights, journals posted by key management, journals posted after the year end.
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and the Office for Students
- Review and recalculation of the year end loan covenant calculations
- A test in total in relation to the residencies income and a reconciliation of the income through to the balances recognised in the year. A sample of reconciling items have been investigated to supporting documentation.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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](http://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

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 College's students attend led to heightened uncertainty about the future financial performance of the College:

- 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 led to a staff cost reduction (excluding the USS pension provision movement) of £3.1 million in the year ending 31 July 2021.
- The Recovery Programme, a change management programme which aims to further reduce annual costs by £9.0 million over the two years to 2022-23. This planned reduction comprises a staff cost reduction of £4.0 million in 2021-22 rising to a cumulative £6.0 million from 2022-23, split equally across academic and non-academic staff, along with a planned non-staff cost reduction of £2 million in 2021-22 rising to a cumulative £3 million from 2022-23.
- 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 has 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 loan facilities, including term loan facilities of £6.2 million provided by Lloyds Bank Plc ('Lloyds') and a term loan facility of £6.3 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 agreements, 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, which has not been utilised
- 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.

Council has carried out an assessment of the College's ability to continue as a going concern by reviewing financial forecasts to 31 July 2023. Those forecasts are based on the actual student recruitment level for the 2021-22 academic year. These forecasts include a range of possible downside scenarios, with a range of student recruitment rates for 2022-23. Council 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 will reduce the College's annual teaching grant income by approximately £2 million per annum with effect from the 2021-22 financial year.

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. Therefore, Council, after making appropriate enquiries and taking into consideration the risks and uncertainties facing the College, set out on [page 26](#), 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 from 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 £59,883.65 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 £59,883.65 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:

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

#### 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:

<b>Desktop computer hardware</b>	3 years
<b>Other plant and equipment</b>	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 £5.7 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 2020 but was no longer outstanding on 31 July 2021.

### Annual Leave Accrual

Accruals and deferred income ([note 16](#)) includes an estimated accrual of £4.6 million for untaken annual leave allowances on 31 July 2021, that averaged 15.41 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 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 College 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 2021 pension liability provision reflects this plan. Since the year end, following the completion of the 2020 actuarial valuation, a new deficit recovery plan has been agreed. This comprises a dual rate schedule of contribution depending on whether or not the Joint Negotiating Committee recommended deed on benefit changes has been executed by 28 February 2022. Details are given in [notes 22](#) and [23](#).

**Statement of comprehensive income  
and expenditure**

Year ended 31 July 2021

Income	Note	2021 £'000	2020 £'000
Tuition fees and education contracts	<a href="#">1</a>	95,207	100,216
Funding body grants	<a href="#">2</a>	13,590	12,338
Research grants and contracts	<a href="#">3</a>	6,014	4,837
Other income	<a href="#">4</a>	11,385	12,450
Endowment and investment income	<a href="#">5</a>	251	282
<b>Total income</b>		<b>126,447</b>	<b>130,123</b>
<b>Expenditure</b>			
Staff costs (excluding USS Pension movement)		91,780	95,526
USS Pension movement	<a href="#">23</a>	(1,336)	(16,892)
Total staff costs	<a href="#">6</a>	90,444	78,634
Other operating expenses		35,089	37,546
Amortisation of intangible fixed assets	<a href="#">10</a>	1,226	1,399
Depreciation and impairment	<a href="#">11</a>	11,117	10,367
Interest and other finance costs	<a href="#">7</a>	1,737	2,310
<b>Total expenditure</b>		<b>139,613</b>	<b>130,256</b>
<b>Deficit before other gains and losses</b>		<b>(13,166)</b>	<b>(133)</b>
Gain on investments	<a href="#">19</a>	425	30
<b>Deficit before tax</b>		<b>(12,741)</b>	<b>(103)</b>
Taxation	<a href="#">9</a>	-	-
<b>Deficit for the year</b>		<b>(12,741)</b>	<b>(103)</b>
Actuarial gain/(loss) in respect of pension schemes	<a href="#">23</a>	1,562	(14,671)
<b>Total comprehensive (loss)/income for the year</b>		<b>(11,179)</b>	<b>(14,774)</b>
<b>Represented by:</b>			
Endowment comprehensive income for the year		408	(122)
Unrestricted comprehensive (loss) for the year		(11,587)	(14,652)
		<b>(11,179)</b>	<b>(14,774)</b>

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	
<b>Balance at 1 August 2019</b>	<b>14,984</b>	<b>3,814</b>	<b>45,686</b>	<b>64,484</b>
Total comprehensive (loss) for the year	(122)	(14,652)	-	(14,774)
Transfers between revaluation and income and expenditure reserve	-	526	(526)	-
<b>Total movement in reserves</b>	<b>(122)</b>	<b>(14,126)</b>	<b>(526)</b>	<b>(14,774)</b>
<b>Balance at 1 August 2020</b>	<b>14,862</b>	<b>(10,312)</b>	<b>45,160</b>	<b>49,710</b>
Total comprehensive income/(loss) for the year	408	(11,587)	-	(11,179)
Transfers between revaluation and income and expenditure reserve	-	526	(526)	-
<b>Total movement in reserves</b>	<b>408</b>	<b>(11,061)</b>	<b>(526)</b>	<b>(11,179)</b>
<b>Balance at 31 July 2021</b>	<b>15,270</b>	<b>(21,373)</b>	<b>44,634</b>	<b>38,531</b>

The transfer between the revaluation and income and expenditure reserves 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 (2020: £526,000).

**Balance sheet**  
 as at 31 July 2021

<b>Non-current assets</b>	<b>Note</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
Intangible fixed assets	<a href="#">10</a>	1,663	2,677
Tangible fixed assets	<a href="#">11</a>	129,770	138,570
Heritage assets	<a href="#">12</a>	111	111
Investments	<a href="#">13</a>	3,193	2,768
		<b>134,737</b>	<b>144,126</b>
<b>Current assets</b>			
Trade and other receivables	<a href="#">14</a>	9,224	8,384
Cash and cash equivalents	<a href="#">15</a>	20,378	22,059
		<b>29,602</b>	<b>30,443</b>
<b>Creditors – amounts falling due within one year</b>	<a href="#">16</a>	(27,032)	(25,540)
<b>Net current assets</b>		<b>2,570</b>	<b>4,903</b>
<b>Total assets less current liabilities</b>		<b>137,307</b>	<b>149,029</b>
<b>Creditors – amounts falling due after more than one year</b>	<a href="#">17</a>	(23,587)	(26,100)
<b>Provisions</b>			
Pension liabilities	<a href="#">23</a>	(73,463)	(69,836)
Other	<a href="#">18</a>	(1,726)	(3,383)
<b>Total net assets</b>		<b>38,531</b>	<b>49,710</b>
<b>Represented by:</b>			
<b>Restricted reserves</b>			
Income and expenditure reserve – endowments	<a href="#">19</a>	15,270	14,862
<b>Unrestricted reserves</b>			
Income and expenditure reserve – unrestricted		(21,373)	(10,312)
Revaluation reserve		44,634	45,160
<b>Total reserves</b>		<b>38,531</b>	<b>49,710</b>

The financial statements were approved by Council on 25 November 2021 and signed on its behalf by

**Cash flow statement**

Year ended 31 July 2021

<b>Cash flow from operating activities</b>	<b>Note</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
Deficit for the year		(12,741)	(103)
<b>Adjustment for non-cash items</b>			
Amortisation of intangible fixed assets	<a href="#">10</a>	1,226	1,399
Depreciation and impairment of tangible fixed assets	<a href="#">11</a>	11,117	10,367
Gain on investments	<a href="#">13</a>	(425)	(30)
(Decrease)/increase	<a href="#">14</a>	(840)	1,562
Increase/(decrease) in creditors	<a href="#">16, 17</a>	1,535	(290)
Increase/(decrease) in pension provision	<a href="#">23</a>	4,389	(14,641)
(Decrease)/increase in other provisions	<a href="#">18</a>	(1,657)	2,593
		<b>15,345</b>	<b>960</b>
<b>Adjustment for investing or financing activities</b>			
Investment income	<a href="#">5</a>	(93)	(242)
Interest payable	<a href="#">7</a>	1,737	2,310
Endowment income	<a href="#">19</a>	(158)	(40)
Capital grant income		(1,566)	(960)
		<b>(80)</b>	<b>1,068</b>
<b>Net cash inflow from operating activities</b>		<b>2,524</b>	<b>1,925</b>
<b>Cash flows from investing activities</b>			
Capital grants receipts		1,368	1,075
Investment income	<a href="#">5</a>	93	242
Payments made to acquire intangible fixed assets	<a href="#">10</a>	(212)	(374)
Payments made to acquire tangible fixed assets	<a href="#">11</a>	(2,630)	(7,136)
		<b>(1,381)</b>	<b>(6,193)</b>
<b>Cash flows from financing activities</b>			
Interest paid	<a href="#">7</a>	(637)	(671)
Interest element of finance lease	<a href="#">7</a>	(300)	(413)
Endowment cash received	<a href="#">19</a>	158	40
Repayments of amounts borrowed		(614)	(595)
Capital element of finance lease		(1,431)	(1,259)
		<b>(2,824)</b>	<b>(2,898)</b>
<b>(Decrease) in cash and cash equivalents in the year</b>		<b>(1,681)</b>	<b>(7,166)</b>
Cash and cash equivalents at beginning of year		22,059	29,225
Cash and cash equivalents at end of year		20,378	22,059

# NOTES TO THE FINANCIAL STATEMENTS

## 1. Tuition fees and education contracts

	2021 £'000	2020 £'000
Home/EU undergraduates: full-time	46,493	49,332
Home/EU postgraduates: full-time	11,572	9,774
Home/EU students: part-time	4,157	3,356
International students	29,641	34,261
Non-credit bearing courses and other fees	2,160	2,195
Research training support grants	1,184	1,298
	<b>95,207</b>	<b>100,216</b>

## 2. Funding body grants

	2021 £'000	2020 £'000
<b>Recurrent grants</b>		
Office for Students teaching grant	3,898	4,404
Research England research grant	7,128	6,464
	11,026	10,868
<b>Specific grants</b>		
Office for Students/Research England other grants	1,305	753
Office for Students/Research England capital grants	1,259	717
	2,564	1,470
	<b>13,590</b>	<b>12,338</b>

## 3. Research grants and contracts

	2021 £'000	2020 £'000
Research councils – UK	2,253	2,191
Research councils – EU	2,069	1,114
Research charities – UK	1,141	813
Research charities – EU	249	26
Research charities – Non-EU	191	341
Industry and commerce	94	199
Other	17	153
	<b>6,014</b>	<b>4,837</b>

**4. Other income**

	2021 £'000	2020 £'000
Residences, catering and conferences	5,390	7,164
Other services rendered	2,457	1,785
Other capital grants	117	242
Other income	3,421	3,259
	<b>11,385</b>	<b>12,450</b>

Included within other income is a £242,000 (2020: £395,000) government grant from the Coronavirus Job Retention Scheme.

**5. Endowment and investment income**

	2021 £'000	2020 £'000
Investment income on endowments	88	91
New endowments	158	40
Other investment income	5	151
	<b>251</b>	<b>282</b>

The sources of grant and fee income, included in [notes 1 to 4](#), are as follows:

**Grant and fee income**

		2021 £'000	2020 £'000
OfS	Grant income from the OfS	4,583	4,841
Other bodies	Grant income from other bodies	15,882	13,283
Taught awards	Fee income for taught awards (exclusive of VAT)	90,254	95,265
Research awards	Fee income for research awards (exclusive of VAT)	1,609	1,458
Non-qualifying	Fee income from non-qualifying courses (exclusive of VAT)	3,344	3,493
		<b>115,672</b>	<b>118,340</b>

**6. Staff costs**

	<b>Underlying Expenditure</b>	<b>Annual Leave Accrual</b>	<b>Pension Provision Movement</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Salaries and wages	67,206	(1,121)	-	66,085
Social security costs	6,485	(112)	-	6,373
USS pension scheme cost	9,897	(182)	(1,336)	8,379
LPFA pension scheme cost	2,441	(34)	5,725	8,132
Other pension costs	170	-	-	170
Restructuring costs	1,305	-	-	1,305
	<b>87,504</b>	<b>(1,449)</b>	<b>4,389</b>	<b>90,444</b>

	<b>Underlying Expenditure</b>	<b>Annual Leave Accrual</b>	<b>Pension Provision Movement</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
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
	<b>90,983</b>	<b>2,292</b>	<b>(14,641)</b>	<b>78,634</b>

Significant non-cash FRS102 accounting adjustments have been presented separately in the above table as additional information.

The significant increase in the annual leave accrual in 2019-20 arose 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 5 days. The significant reduction in 2020-21 arose as a result of the College amending its internal policy to allow 10 days of untaken leave to be carried forward on 31 August 2021 and a correction to the basis of computation.

## Emoluments of the Warden

Professor Frances Corner OBE	2021 £'000	2020 £'000
Basic salary	235	235
Pension contribution to USS	-	-
Other taxable benefits	10	5
	245	240

Other taxable benefits include the reimbursement of life insurance and personal travel expenditure.

### 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 2019 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.

The Warden's pay is reviewed annually by the Remuneration Committee. In October 2021, the Remuneration Committee agreed that in the light of the College's ongoing financial challenges the Warden's pay would only receive the 1.5% across-the-board national pay award that all staff at Goldsmiths receive. In 2020-21 the Warden donated £14,250 of the salary above, including gift-aid tax relief, to the College's Student Hardship Fund.

### 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:

	2021	2020
Professor Frances Corner OBE	6.3	6.1

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:

	2021	2020
Professor Frances Corner OBE	6.2	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 2020-21. 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 including the Warden, excluding employer's pension contributions and payments of compensation for loss of office, falls in the following bands:

	2021 number	2020 number
£100,000-£104,999	-	1
£105,000-£109,999	-	1
£110,000-£114,999	1	1
£120,000-£124,999	2	2
£125,000-£129,999	1	-
£130,000-£134,999	-	1
£160,000-£164,999	1	-
£235,000-£239,999	1	1
	<b>6</b>	<b>7</b>





## Compensation for loss of office

	2021 number	2021 £'000	2020 number	2020 £'000
Compensation for loss of office recorded within staff costs was as follows:				
Compensation for loss of office payable to all staff and number of people to whom this was payable	67	1,305	102	2,672

Compensation for loss of office was paid to 38 staff under the Voluntary Severance Scheme and a further 29 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.

	2021 £'000	2020 £'000
Key management personnel compensation	1,108	958

Key management personnel donated £24,409 of the compensation above, and other staff £8,304, through the College's payroll giving scheme, to the College in 2020-21.

## Staff numbers

	2021 number	2020 number
Average staff numbers by major category:		
Teaching and research	676	685
Administrative and other	746	780
	<b>1,422</b>	<b>1,465</b>

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 £7,718 (2020 £2,838). 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

	2021 £'000	2020 £'000
Loan interest	637	671
Finance lease interest	300	413
	<b>937</b>	<b>1,084</b>
Net charge on pension schemes	800	1,226
	<b>1,737</b>	<b>2,310</b>

**8a. Analysis of total expenditure by activity**

	2021 £'000	2020 £'000
Academic departments' expenditure	51,233	53,508
Central academic services	19,032	21,416
Staff and student facilities	7,345	7,593
Student bursaries and scholarships	1,902	2,398
Other administration and central services	21,380	24,888
Premises	20,271	19,873
Residences, catering and conferences	8,770	9,918
Research grants and contracts	4,464	4,004
Pension provisions movements	5,189	(13,416)
Other expenses	27	74
<b>Total</b>	<b>139,613</b>	<b>130,256</b>

	2021 £'000	2020 £'000
Total expenditure includes:		
External auditors' remuneration in respect of audit of financial statements	97	68
External auditors' remuneration in respect of other audit services	38	8
Operating lease rentals (land and buildings)	5,836	6,370

**8b. Access and participation**

	2021 £'000	2020 £'000
Access investment	1,978	1,637
Financial support	830	1,019
Disability support	854	912
Research and evaluation	558	382
<b>Total</b>	<b>4,220</b>	<b>3,950</b>

This expenditure includes staff costs of £2.56m which are already reflected in the overall staff costs figures in the financial statements (see [note 6](#)). Our current Access and Participation plan is available at [www.gold.ac.uk/governance/public-information/ofs](http://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
<b>Gross Book Value</b>			
At 1 August 2020	11,327	522	11,849
Additions in year	167	45	212
Transfer assets on commissioning	160	(160)	-
<b>At 31 July 2021</b>	<b>11,654</b>	<b>407</b>	<b>12,061</b>
<b>Amortisation</b>			
At 1 August 2020	9,172	-	9,172
Charge for year	1,226	-	1,226
<b>At 31 July 2021</b>	<b>10,398</b>	<b>-</b>	<b>10,398</b>
<b>Net Book Value</b>			
At 1 August 2020	2,155	522	2,677
<b>At 31 July 2021</b>	<b>1,256</b>	<b>407</b>	<b>1,663</b>

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			
<b>Gross Book Value</b>						
At 1 August 2020	190,477	13,215	10,494	23,140	2,780	240,106
Additions in year	526	57	(158)	1,001	891	2,317
Transfers from/(to) assets under construction	1,337	-	-	1,636	(2,973)	-
<b>At 31 July 2021</b>	<b>192,340</b>	<b>13,272</b>	<b>10,336</b>	<b>25,777</b>	<b>698</b>	<b>242,423</b>
<b>Depreciation</b>						
At 1 August 2020	72,229	10,467	2,234	16,606	-	101,536
Charge for year	6,260	666	357	2,978	-	10,261
Impairment	856	-	-	-	-	856
<b>At 31 July 2021</b>	<b>79,345</b>	<b>11,133</b>	<b>2,591</b>	<b>19,584</b>	<b>-</b>	<b>112,653</b>
<b>Net Book Value</b>						
At 1 August 2020	118,248	2,748	8,260	6,534	2,780	138,570
<b>At 31 July 2021</b>	<b>112,995</b>	<b>2,139</b>	<b>7,745</b>	<b>6,193</b>	<b>698</b>	<b>129,770</b>

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 2021 and are valued in accordance with the amounts of tax settled by the estate of Albert and Betty Irvin. The assets are as follows:

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

### 13. Investments

	Endowments £'000	Other investments £'000	Total £'000
<b>At 1 August 2020</b>	2,740	28	2,768
Gain in market value	425	-	425
<b>At 31 July 2021</b>	<b>3,165</b>	<b>28</b>	<b>3,193</b>

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 2021.
- **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 2021 was £60,492. 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

	2021 £'000	2020 £'000
Amounts falling due within one year:		
Research grants receivables	899	1,014
Student receivables	2,911	2,787
Other receivables	511	431
Prepayments and accrued income	4,903	4,152
	<b>9,224</b>	<b>8,384</b>

The overall bad debt charge for the year ended 31 July 2021 was £0.6 million (2020: £2.3million).

**15. Cash and cash equivalents**

	2021 £'000	2020 £'000
Bank balances related to unrestricted funds	19,499	21,333
Bank balances related to endowment funds	879	726
	<b>20,378</b>	<b>22,059</b>

**16. Creditors: amounts falling due within one year**

	2021 £'000	2020 £'000
Secured loans	622	611
Obligations under finance leases	1,621	1,431
Trade payables	916	849
Social security and other taxation payable	1,783	1,920
Annual leave accrual	4,647	6,097
Other accruals	2,573	2,293
Deferred income	11,751	9,660
Other creditors	3,119	2,679
	<b>27,032</b>	<b>25,540</b>

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	5,374	2,877
Research grants and contracts	3,570	3,618
Other deferred income	1,192	1,294
Other grants	1,078	814
Amounts due to funding councils	500	822
Deferred capital grants	37	235
	<b>11,751</b>	<b>9,660</b>



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

	2021 £'000	2020 £'000
Secured loans	11,903	12,528
Obligations under finance lease (note 21)	276	1,897
Deferred income	11,408	11,675
	<b>23,587</b>	<b>26,100</b>
<b>Analysis of secured loans:</b>		
Due within one year (note 16)	622	611
Due between one and two years	636	623
Due between two and five years	1,990	1,949
Due in five years or more	9,277	9,956
Due after more than one year	11,903	12,528
<b>Total secured loans</b>	<b>12,525</b>	<b>13,139</b>

Secured loans comprise 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	15	4.980	4,959
Lloyds Bank (variable – base rate plus 0.2%)	2009	2,150	28	16	0.300	1,273
Natwest Bank (fixed rate)	2010	10,000	30	19	5.735	6,293
						12,525

Prior to 29 April 2021, the loan facilities were provided unsecured, subject to Goldsmiths providing a negative pledge over all assets.

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. All facilities were provided secured.

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, which has not been utilised
- Facility B is £7.0 million for the 6 weeks until 26 May 2022

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 2020	Movements in year			As at 31 July 2021
		Released	Added	Utilised	
	£'000	£'000	£'000	£'000	£'000
Staff restructuring	2,270	-	49	(2,262)	57
Dilapidations	-	-	1,459	-	1,459
Other	1,113	(355)	121	(669)	210
	<b>3,383</b>	<b>(355)</b>	<b>1,629</b>	<b>(2,931)</b>	<b>1,726</b>

The provisions movements in year and balances as at 31 July 2021 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.

### Dilapidations

The dilapidations provision relates to a student residence on which the lease expired on 13 September 2021. On 16 July 2021, the College received a claim for dilapidations from the landlord, which is currently under negotiation. The provision is management's best estimate of the likely outcome of that negotiation.

### Other provisions

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

**19. Endowment reserves**

	Restricted Permanent Endowments	Restricted Expendable Endowments	2021 Total	2020 Total
	£'000	£'000	£'000	£'000
<b>Balance at 1 August 2020</b>				
Capital	14,149	347	14,496	14,650
Accumulated income	315	51	366	334
	<b>14,464</b>	<b>398</b>	<b>14,862</b>	<b>14,984</b>
New endowments	-	158	158	40
Investment income	88	-	88	91
Depreciation	(170)	-	(170)	(170)
Other expenditure	(34)	(59)	(93)	(113)
Increase in market value of investments	425	-	425	30
<b>Balance at 31 July 2021</b>	<b>14,773</b>	<b>497</b>	<b>15,270</b>	<b>14,862</b>
<b>Represented by:</b>				
Capital	14,403	450	14,853	14,496
Accumulated income	370	47	417	366
<b>Total</b>	<b>14,773</b>	<b>497</b>	<b>15,270</b>	<b>14,862</b>
<b>Analysis by type of purpose:</b>				
Lectureships			2,161	1,855
Scholarships and bursaries			372	240
Research support			6	6
Prize funds			68	61
General			12,663	12,700
			<b>15,270</b>	<b>14,862</b>
<b>Analysis by asset:</b>				
Non-current asset investments			3,165	2,740
Cash and cash equivalents			879	726
Freehold land and buildings			11,226	11,396
			<b>15,270</b>	<b>14,862</b>

## 20. Capital and other commitments

Provision has not been made for the following capital commitments related to property, plant and equipment at 31 July 2021:

	2021 £'000	2020 £'000
Capital commitments contracted as at 31 July 2021	1,860	1,589
	<b>1,860</b>	<b>1,589</b>

## 21. Lease obligations

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

	31 July 2021			31 July 2020		
	Operating leases	Finance lease	Total	Operating leases	Finance lease	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Payable during the year	5,837	1,731	<b>7,568</b>	6,370	1,673	<b>8,043</b>
Future minimum lease payments due:						
Not later than 1 year	5,473	1,792	<b>7,265</b>	5,827	1,731	<b>7,558</b>
Later than 1 year and not later than 5 years	11,463	300	<b>11,763</b>	7,199	2,092	<b>9,291</b>
Later than 5 years	239	-	<b>239</b>	1,977	-	<b>1,977</b>
<b>Total lease payments due</b>	<b>17,175</b>	<b>2,092</b>	<b>19,267</b>	<b>15,003</b>	<b>3,823</b>	<b>18,826</b>

## 22. Events after the reporting period

On 4 October 2021, the College disposed of seven freehold properties in compliance with the terms of its revolving credit facilities with its banks. The net sales proceeds were £4.5 million.

The Universities Superannuation Scheme 2020 valuation was completed on 1 October 2021. The 2020 valuation came into effect with a dual rate schedule of contributions:

1. A small increase in contribution rates and a longer deficit recovery period as a result of the decision to proceed with benefit change by the Joint Negotiating Committee (JNC) subject to member consultation, if the JNC recommended deed on benefit changes has been executed by 28 February 2022.

2. More significant increases in contribution rates and a shorter deficit recovery period, which only becomes applicable if the JNC recommended deed on benefit changes has not been executed by 28 February 2022.

The non-adjusting impact on the provision as at 31 July 2021 for each scenario is shown in the table below.

	£'000
<b>Provision based on 2018 valuation</b>	18,978
1. Provision based on the 2020 valuation if the JNC deed is executed by 28 February 2022	54,849
2. Provision based on the 2020 valuation if the JNC deed is not executed by 28 February 2022	87,571

**23. Pension schemes**

	<b>2021 LPFA</b>	<b>2021 USS</b>	<b>2021 Total</b>	<b>2020 Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Opening balance as at 1 August 2020	49,669	20,167	<b>69,836</b>	<b>68,581</b>
Amounts charged to staff costs:				
LPFA current service cost	8,281	-	8,281	<b>5,143</b>
Net movement on USS provision (excluding interest charges)	-	(1,336)	<b>(1,336)</b>	<b>(16,892)</b>
	8,281	(1,336)	<b>6,945</b>	<b>(11,749)</b>
Amounts charged to interest	653	147	<b>800</b>	<b>1,225</b>
Actuarial (gain)/loss	(1,562)	-	<b>(1,562)</b>	<b>14,671</b>
Other movements (principally LPFA employer contributions)	(2,556)	-	<b>(2,556)</b>	<b>(2,892)</b>
Closing balance as at 31 July 2021	<b>54,485</b>	<b>18,978</b>	<b>73,463</b>	<b>69,836</b>

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.

**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 £1.189 million (in 2020 there was a charge of £16.310 million) as shown in [notes 6](#) and [7](#).

Deficit recovery contributions due within one year are £2.445 million (2020: £0.946 million).

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:

	<b>2018 valuation</b>
Mortality base table	<b>Pre-retirement</b> 71% of AMCOO (duration 0) for males and 112% of AFCOO (duration 0) for females.
	<b>Post-retirement</b> 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:

	2021	2020
Males currently aged 65 (years)	24.6	24.4
Females currently aged 65 (years)	26.1	25.9
Males currently aged 45 (years)	26.6	26.3
Females currently aged 45 (years)	27.9	27.7

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 2021 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2021	2020
Discount rate	0.87%	0.73%
Pensionable salary growth	3.00%	3.00%

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.

Since the year end, following the completion of the 2020 actuarial valuation, a new deficit recovery plan came into effect with a dual rate schedule of contributions. This amends the existing deficit recovery plan and schedule of contributions as set out in the 2018 valuation. Deficit recovery contributions ceased from 1 October 2021 and will recommence either on 1 April 2022 or 1 October 2022. The scheme deficit and schedule of contributions depend upon whether or not benefit changes recommended by the Joint Negotiating Committee (JNC), which are currently subject to member consultation, are adopted. There are two scenarios:

1. A small increase in contribution rates and a longer deficit recovery period if the JNC recommended deed on benefit changes has been executed by 28 February 2022. In this scenario, the scheme deficit was £14.1 billion on 31 March 2020. From 1 April 2022, the deficit recovery contributions recommence at 6.3% of salaries and are payable for the length of the recovery plan until 31 March 2038.

2. More significant increases in contribution rates and a shorter deficit recovery period, which become applicable if the JNC recommended deed on benefit changes has not been executed by 28 February 2022. In this scenario, the scheme deficit was £18.4 billion on 31 March 2020. From 1 October 2022, the deficit recovery contributions will recommence at 3% then increase in equal steps every 6 months until they reach 18% on 1 April 2025, then increase to 20% from 1 October 2025 and remain at that level until 31 July 2032.

### 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:

	2021	2020
Males retiring today	21.0	20.9
Females retiring today	23.9	23.8
Males retiring in 20 years	22.1	22.3
Females retiring in 20 years	25.5	25.2

Financial assumptions are:

	2021	2020
Discount rate	1.60%	1.35%
Pension increases	2.85%	2.25%
Salary increases	3.85%	3.25%

## Assets

The return on the Fund (on a bid-to-bid value basis) for the year to 31 July 2021 is estimated to have been 13.41% (2020: 5%). The actual return on fund assets over the year may be different.

The estimated asset allocation for Goldsmiths at 31 July 2021 is as follows:

### Asset breakdown

	2021		2020	
	£'000	%	£'000	%
Equities	35,494	56	29,793	54
Target Return Portfolio	13,662	22	12,342	25
Infrastructure	5,544	9	3,749	6
Property	5,276	8	5,029	9
Cash	3,274	5	3,332	6
<b>Total</b>	<b>63,250</b>	<b>100</b>	<b>54,245</b>	<b>100</b>

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	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Opening as at 1 August	(103,914)	(82,892)	54,245	50,788	(49,669)	(32,104)
Current service cost	(8,281)	(5,143)	-	-	(8,281)	(5,143)
Interest on assets	-	-	744	1,085	744	1,085
Interest on liabilities	(1,397)	(1,728)	-	-	(1,397)	(1,728)
Return on fund assets in excess of interest	-	-	6,642	1,658	6,642	1,658
Experience gain/(loss) on defined benefit obligation	2,090	(2,855)	-	-	2,090	(2,855)
Change in financial assumptions	(8,483)	(12,989)	-	-	(8,483)	(12,989)
Changes in demographic assumptions	1,313	497	-	-	1,313	497
Other actuarial gains/(losses)	-	-	-	(982)	-	(982)
Estimated unfunded benefits paid	22	22	-	-	22	22
Contributions by members	(1,000)	(878)	1,000	878	-	-
Contributions by employer	-	-	2,627	2,958	2,627	2,958
Estimated benefits paid	1,915	2,052	(1,937)	(2,074)	(22)	(22)
Administration costs	-	-	(71)	(66)	(71)	(66)
<b>Closing defined benefit obligation</b>	<b>(117,735)</b>	<b>(103,914)</b>	<b>63,250</b>	<b>54,245</b>	<b>(54,485)</b>	<b>(49,669)</b>



	31 July 2021 £'000	31 July 2020 £'000
<b>Analysis of the amount shown in the balance sheet</b>		
Scheme assets	63,250	54,245
Scheme liabilities	(117,735)	(103,914)
Deficit in the scheme – net liability recorded within pension provisions	(54,485)	(49,669)
	<b>2021 £'000</b>	<b>2020 £'000</b>
<b>Analysis of the amount charged to staff costs</b>		
Current service costs	8,281	5,143
Total operating charge	8,281	5,143
<b>Analysis of amount charged to interest payable</b>		
Expected return on assets (gain)	(744)	(1,085)
Interest on liabilities	1,397	1,728
Net charge to interest and other finance costs	653	643
<b>Total charge to expenditure</b>	<b>8,934</b>	<b>5,786</b>
<b>Analysis of actuarial gain/(loss) in respect of pension schemes</b>		
Return on fund assets in excess of interest	6,642	1,658
Experience gain/(loss) on liabilities	2,090	(2,855)
Change in financial assumptions	(8,483)	(12,989)
Changes in demographic assumptions	1,313	497
Other actuarial gains	-	(982)
Actuarial gain/(loss) in respect of pension scheme	1,562	(14,671)
	<b>2022 £'000</b>	
<b>Projected pension expense for the following year</b>		
Service cost	9,256	
Administration	82	
Net interest on liability/(asset)	851	
Net charge	10,189	

## 24. Related-party transactions

During the year ended 31 July 2021 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
<b>Subsidiaries</b>				
Goldsmiths Accommodation Services Limited	60	-	-	-
<b>Relationships with Council members</b>				
Goldsmiths' Students' Union	-	1,235	-	-
Cancer Research and Advisory Centre	-	4	-	-
The Goldsmiths' Company	92	-	-	-
Consortium of Academic Libraries	-	2	-	-
IDP Connect Ltd	-	44	-	-
Advance HE	-	31	-	-
Imperial College	35	-	-	14
<b>Relationships with Key Management Personnel</b>				
i2 Media Research Limited	36	139	-	151
BALEAP – The Global Forum for EAP professionals	-	1	-	-

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 2020-21, Goldsmiths provided the Students' Union with a grant and support totalling £1.183 (2020: £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 (2020: £0.5) million.

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. Included in Student and other receivables ([note 14](#)) is a provision for bad debt of £125,509 (2020: £350,604) of the total debt of £150,610 (2020: £420,724) due from i2 Media Research Limited, which represents the total outstanding on 31 July 2021 excluding VAT, which could be reclaimed from HMRC through bad debt relief. On 29 April 2021, i2 Media Research Limited agreed a monthly payment plan with the College such that the Company is expected to repay the amounts due in full by November 2023. The related provision for bad debts will be reversed in line with the repayments.

The wholly owned subsidiary, Pure Goldsmiths Ltd, was dormant at 31 July 2021. 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 2020-21 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. Department for Education Bursary Fund**

	2021 £'000	2020 £'000
<b>Department for Education Teacher Training Bursaries</b>		
Balance at 1 August 2020	17	22
Grant received from Department for Education	3,622	2,211
Disbursed to trainees	(3,579)	(2,216)
<b>Balance at 31 July 2021</b>	<b>60</b>	<b>17</b>

Department for Education Teacher Training Bursaries are available solely for students: Goldsmiths acts 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**

	2020 £'000	Cashflows £'000	2021 £'000
Analysis of net debt:			
Cash and cash equivalents	22,059	(1,681)	20,378
Obligations under finance lease	(3,328)	1,431	(1,897)
Bank loans	(13,139)	614	(12,525)
<b>Net cash</b>	<b>5,592</b>	<b>364</b>	<b>5,956</b>





2021

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