

ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2022



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CHAIR OF COUNCIL'S FOREWORD

It is a privilege for me to introduce the Financial Statements for Goldsmiths, University of London, in my fifth year as Chair of Council. I am proud of how our extraordinary community has continued to deliver outstanding work as we emerge from one of the most challenging periods in the College's history.

I want to thank Goldsmiths staff, the Warden and the Senior Management Team for working tirelessly during academic year 2021-22 – particularly as we progressed through the pandemic – to put the College in a sustainable position and support the future of our university. We are now able to look forward with optimism and ambition as an institution that delivers a creative and critical education.

I would also like to share my thanks with Goldsmiths' Council, particularly those independent members, for their continued commitment to the College this academic year. Council members have generously shared their time and expertise, helping us to emerge from this period in a better place than when we started.

Amid changing political times, the policy environment for institutions like Goldsmiths remains uncertain. What is not in question is that as Chair of Council I will continue lobbying those in power, and communicating to them the contribution our students and staff make to wider society.

Among our students are the next generations of social workers and teachers, as well as those who go on to help make the creative industries such a success story. As shown by the Research Excellence Framework outcomes, our researchers are addressing global challenges by developing new knowledge for the benefit of the many, not just the few.

With these foundations we are now planning for the College's future through the co-creation of a new institutional strategy to be delivered in 2023. This will take the best of Goldsmiths and combine it with new ways of thinking and working to give us renewed purpose, improve our quality and standards and help move the College forward. It will ensure we can continue to deliver life-changing research, excellent teaching and continue to support our students, staff and society.

Dinah Caine CBE
Chair of Council



WARDEN'S FOREWORD

The academic year 2021-22 was another extraordinary period for Goldsmiths. This report captures a selection of the events and initiatives undertaken here, and the achievements of our community.

The year started with the return to campus life, as we continued to collectively address the pandemic. In particular, the revival of Degree Shows and in-person graduation ceremonies allowed us to join together, celebrate the achievements of our students and fully appreciate what makes Goldsmiths so special.

These waymarkers of the College calendar were among a range of highlights for our community. In the autumn term Goldsmiths partnered with 11 key local organisations in our Civic University Agreement. We are the first higher education institution in London to have developed such an agreement, creating a framework to improve the lives of people living, studying and working in our home borough of Lewisham by sharing our various areas of expertise.

The academic expertise nurtured at Goldsmiths was recognised in May, when the results of the 2021 Research Excellence Framework exercise were released. These clearly highlighted the quality of our academics' research. Nearly four-fifths of our research outputs were rated 4* or 3*, meaning 'world-leading' or 'internationally excellent', with improvements seen across many departments since the last exercise in 2014.

We were one of the first universities to sign a pledge not to use Non-Disclosure Agreements (NDAs) in responding to complaints of sexual harassment and bullying. The pledge was supported by government and sexual harassment campaigners, and saw Goldsmiths join five other institutions in committing to end a practice which can prevent survivors from speaking out.

In June, Council approved a new Race Justice Strategic Framework, drawing on the advice of stakeholders from across the Goldsmiths community. Backed by a Race Justice Action Plan and new resources and internal appointments, we hope to make real headway on the issues affecting staff and students of colour at Goldsmiths.

The Green New Deal project saw ecologists visit campus throughout the year, helping us to monitor and improve biodiversity and habitats in our corner of New Cross and to embed skills and experience within our teams to sustain this work over the long term. We have completed installation of LED lighting across all viable areas of campus, reducing our emissions and energy costs.

Our Comprehensive Curriculum Review has helped us to reposition our future academic offer, ensuring teaching aligns with the needs and interests of future applicants and students. Combined with moves to a more centralised system of academic support, I am confident we are on track to build a more consistent, and more positive, student experience across the College.

Our students and staff responded to the war in Ukraine with the compassion and energy which are hallmarks of our community. The College continues to offer support to our students from the region, including a new bursary scheme for students from Ukraine.

Against this wider backdrop of conflict and uncertainty, the year also saw Goldsmiths reach out to create new international partnerships. An agreement signed in January with Algebra University College in Zagreb, for example, will enable students in Croatia to study design, computing and marketing courses validated by Goldsmiths.

In our local community, we have been helping to celebrate Lewisham and its vibrant communities as the borough marks its year as London Borough of Culture. The College has played a key role as the project's Heritage Partner for In Living Memory, a people's history of post-war Lewisham.

Alongside the achievements we have undoubtedly faced a host of challenges. Work has continued to get the College back on a stable financial footing, helping us to recover from the many impacts of the pandemic and to shield the College from ongoing external uncertainty. We also acknowledge the impact industrial action has had on our students, with the College putting in place a range of mitigations and support.

I am grateful to all colleagues for supporting the College and each other through a period of significant change for our community.

There are likely to be further challenges ahead. But I am more confident than ever in what we can achieve together in the coming years.

Professor Frances Corner OBE
Warden

COUNCIL AND COMMITTEE MEMBERSHIP

Council

Ms Dinah Caine *CBE (Chair)*
 Professor Frances Corner *OBE*
 Professor David Oswell
 Professor Elisabeth Hill
 Sir David Reddaway *KCMG MBE*
 Ms Sara Bafo *(to 31 May 2022)*
 Ms Hafsa Haji *(from 1 June 2022)*
 Oscar Hadwin-Guardiola
(to 31 August 2021)
 Dr Kiran Grewal
(from 1 September 2021)
 Mr Ben Fowler *(to 31 August 2021)*
 Dr Elizabeth Williams *(from 1
 September 2021 to 8 April 2022)*
 Professor Anna Furse *(to 8 April 2022)*
 Dr Naomi Thompson
 Ms Irene Adeyinka
 Dr Ronke Akerele
 Ms Monika Barnes
 Professor Susan Dilly
 Mr Andrew Laurence
 Mr Ravi Mahendra *(to 28 March 2022)*
 Mr Ben Morton-Wright
 Ms Lynn Pearcy *(Deputy Chair)*
 Mr Aaron Porter
 Ms Pam Raynor
 Mr Philip Stoltzfus

Audit and Risk Committee

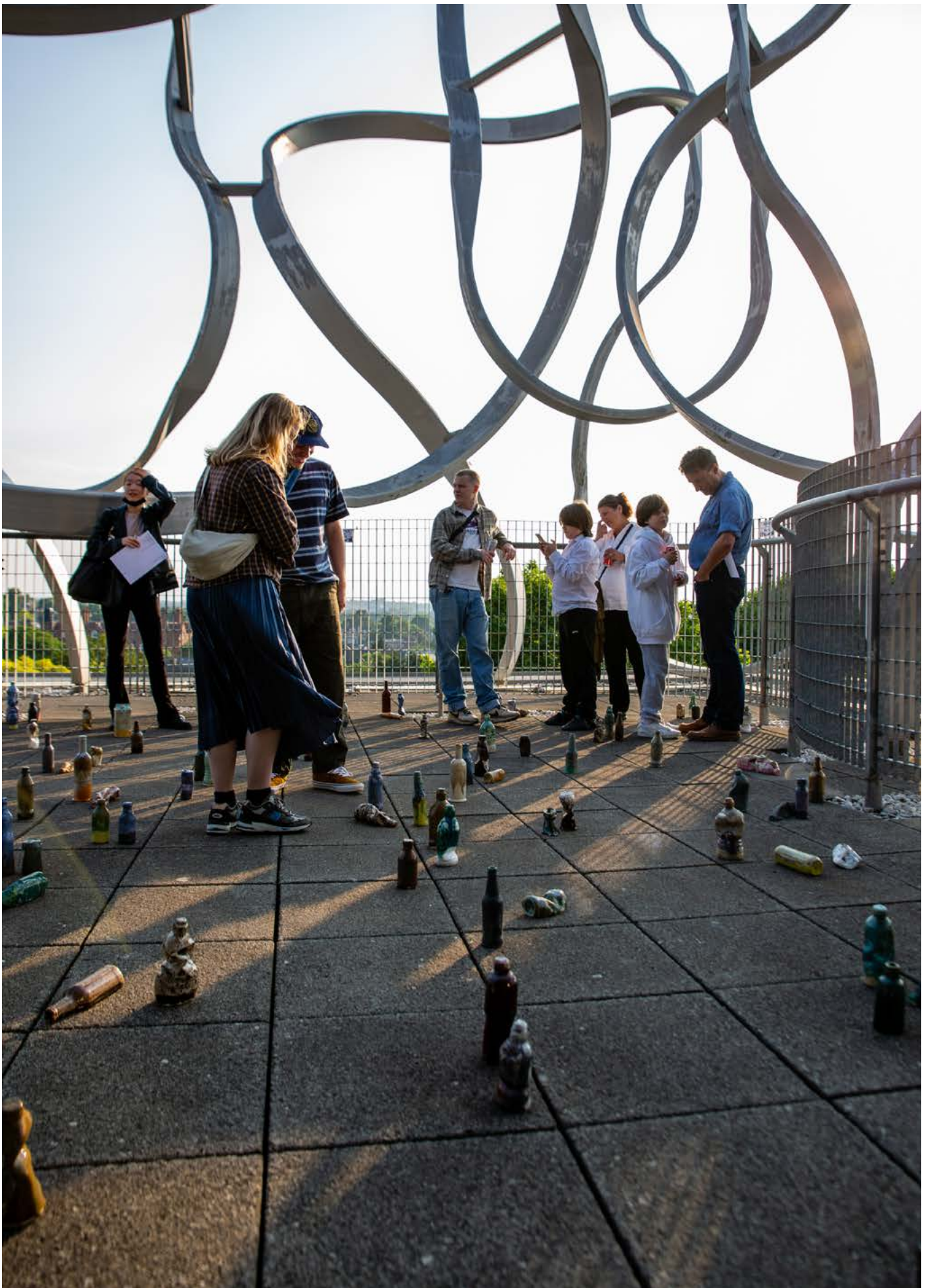
Ms Pam Raynor *(Chair)*
 Dr Ronke Akerele
 Mr Oranye Emembolu
 Mr Ravi Mahendra *(to 28 March 2022)*
 Sir David Reddaway *KCMG MBE*

Finance and Resources Committee

Ms Lynn Pearcy *(Chair)*
 Ms Sara Bafo *(to 31 May 2022)*
 Ms Hafsa Haji *(from 1 June 2022)*
 Professor Frances Corner *OBE*
 Professor Susan Dilly
 Mr Ben Morton-Wright
 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)*
 Ms Helen Watson *(Chief Operating
 Officer to 1 February 2022)*
 Ms Jilly Court *(Interim Chief Operating
 Officer from 2 February 2022)*
 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 to 7
 February 2022)*
 Mr David Minahan *(Chief Information
 Officer from 7 February 2022)*
 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)*
 Professor Matthew Cragoe
*(Head of School of Culture & Society
 to 30 June 2021)*
 Professor Adam Dinham
*(Head of School of Culture & Society
 from 1 July 2022)*



STRATEGIC REPORT

A NOTE ON DEFINITIONS

Here is a list of definitions of a number of key terms used throughout this document:

| | |
|-------------------|--|
| Council | Goldsmiths' governing body. |
| FRS 102 | Financial Reporting Standard 102 is the UK accounting standard that Goldsmiths is obliged to follow, along with the Further and Higher Education SORP (see below). |
| NSS | The National Student Survey, an annual exercise whereby final-year students contribute feedback on their Higher Education experience. |
| OfS | Office for Students, the sector's current principal regulator. |
| QR funding | The block grant funding for research activity, used to sustain a research base at Goldsmiths alongside grant income won through bids/applications to Research Councils and other funders. |
| REF | Research Excellence Framework, an exercise conducted in 2014 to assess the quality and impact of research activity across the Higher Education sector. The results of the REF were used to inform the allocation of QR funding (see above). The next REF exercise was concluded in 2021, which will inform funding from 2022-23 onwards. |
| SMT | The Senior Management Team, which provides overall operational leadership to Goldsmiths. |
| SORP | Statement of Recommended Practice, which gives guidance on how to apply FRS 102 to the Higher Education sector. |
| STEM | A collective term used to describe Science, Technology, Engineering and Maths. Recognising the role that creativity plays in scientific advance, we are committed to the idea of STEAM subjects, where the 'A' stands for Arts. |
| UKRI | UK Research and Innovation, a body that brought together the UK's existing research councils and took on Higher Education Funding Council for England's (HEFCE) responsibilities in respect of research. |

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 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. Now we have some 18 departments in total alongside academic research centres, 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 with our own governing body. 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 well-known names such as Bernardine Evaristo, Kae Tempest, Julian Clary, Steve McQueen and Bridget Riley.

Many more who left recently are making their mark now, including theatre director Rebecca Frecknall, lauded for the West End revival of Cabaret, Alon Schwabe and Daniel Fernández Pascual who make up the Turner Prize-shortlisted studio Cooking Sections and journalist Charlie Brinkhurst-Cuff.

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

OUR STRATEGY

Building on this rich legacy is at the heart of our strategy, which is summarised below.

In this part of the report, we look at our performance during the year against our strategic objectives through the lens of our key strategic themes.

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

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

Goldsmiths' values underpin this mission:

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

Our strategy identifies four Overarching Objectives, underpinned by seven Strategic Themes that provide structure for our work towards achieving them.

Overarching 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

- 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 pandemic saw Goldsmiths' academic community focus on delivering teaching and the student experience. This limited capacity to create and undertake developments to our portfolio. It 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 permit departments to develop new programmes to address portfolio gaps and opportunities. We will 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 and employers on demand for programmes and graduate attributes. 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 facilitated the development of new distance learning programmes offering 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 could result in further developments. 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, Behavioral Science and Computational Biology – with students undertaking distance learning with the University of London, or 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. Additionally, it received remarkable results in its first National Student Survey (NSS) assessment, with some of the highest overall scores in the country for Law.

Innovation in new academic programmes

New programmes launched 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 (Audiovisual Cultures)
- MA Sociology with Pathways
- Specialist Pathways in BA History

New programmes approved for launch in September 2022

- MA International Retail Business, Sustainability and Technologies
- Postgraduate Diploma in Art

New programmes approved for launch in September 2023

Our distinctive academic profile will be further enhanced for 2023-24 through the outcome of a Comprehensive Curriculum Review (CCR), which has been undertaken across the whole College portfolio. This will see revitalised programmes open to new students enrolling in 2023-24. The CCR has seen shared curriculum design and development using eight strategic principles created through a process of co-design with staff, students and community stakeholders. These principles are organised around three themes. CCR outcomes are designed to address the needs of future students and address performance in recruitment, retention and graduate outcomes, all key performance metrics.

Theme 1: Distinct academic identity

- Principle 1: Articulating our mission, values and approach
- Principle 2: Enhancing cross-disciplinary learning and applied academic skills

Theme 2: Student centred

- Principle 3: Personalised learning journey
- Principle 4: Structured progression
- Principle 5: Inclusive and accessible
- Principle 6: Flexible and technologically enhanced learning

Theme 3: Embedded employability and enterprise

- Principle 7: Partnership produced
- Principle 8: Curriculum based employability and enterprise

2. ENHANCING OUR TEACHING AND LEARNING

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

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

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

These aims prioritise pedagogical developments and are monitored on an annual basis by the Learning Teaching and Student Experience Committee (LTSEC) which reports to the College's Academic Board. The LTAS was originally approved for a period of five years between 2017 and 2022, but has been extended to include 2022-23 to allow a new Education Strategy to be developed and launched in 2023.

Our key strategic priorities relate to improved student experience and outcomes for all. These are being pursued in a range of ways across departments and the College as a whole, including: addressing student satisfaction, non-continuation, the awarding gap, and graduate outcomes.

The Comprehensive Curriculum Review (CCR) 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 as outlined in the previous section. 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 has been undertaken during 2021-22 and all curricula will be delivered in line with the curriculum principles from 2023-24.

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

In light of continued decreases in overall satisfaction, evidenced in the National Student Survey (NSS), Academic Board commissioned an 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 share undergraduate and postgraduate student data at department level enable departments to identify individual plans reflecting their individual situations.

Student retention rates had improved in 2019-20, but the impact of the pandemic saw an increase in non-continuation from 11.8% to 12.9%, and an increase in the gap between our data and our HESA benchmark of 7.9%. Work continues to identify and address the key drivers of student non-continuation. This work has already resulted in changes to our personal tutoring system and academic induction for 2021-22, and is a core driver of the CCR and Connected Curriculum development.

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---------|---------|---------|---------|---------|
| Non-continuation after first year of entry: UK-domiciled first degree entrants | 12.6% | 12.4% | 12.7% | 11.8% | 12.9% |

The non-continuation percentages reflect the proportion of first year students who leave Higher Education following their first year of study. The most recent statistics published by HESA, during 2021-22, relate to the 2019-20 cohort of students, who would have continued their studies in 2020-21.

Our Employability Strategy is embedding employability skills and entrepreneurship across our programmes. It is also a core component of CCR principles, to ensure consistency for all students.

Goldsmiths monitors student feedback at institutional and departmental levels. We compare our performance in the NSS, national and international league tables, the Postgraduate Taught Experience Survey and the Postgraduate Research Experience Survey with our key competitors. The College's Academic Board reports to Council on performance in these areas.

3. MAKING A DIFFERENCE THROUGH OUR RESEARCH AND KNOWLEDGE EXCHANGE

Goldsmiths is committed to delivering excellent research with impact. Our mix of disciplines, our interdisciplinary ethos, the blend of theory and practice, and overarching concerns over fairness and social justice combine to create

a truly exciting research culture: one that is widely known for inventiveness and imagination, but also for deep-rooted commitment to social change.

Goldsmiths' institutional research priorities clearly address major challenges facing society, including:

- Inequalities and social justice
- Creative technologies and new forms of user experience
- Health and wellbeing
- Social and cultural impacts of the climate crisis

REF 2021

The Research Excellence Framework (REF) exercise is undertaken every five to seven years. The REF is the UK's system for assessing the quality of the research undertaken at UK higher education (HE) institutions. It provides the government with accountability for its investment in research and informs the selective allocation of funding for research at UK HE institutions. For Goldsmiths, it also acts as its own research census and makes meaningful connections across our entire research community.

A total of 157 HE institutions submitted to the most recent exercise, REF 2021. For Goldsmiths, it also acts as its own research census and makes meaningful connections with its entire research community and its work. The results of REF 2021 were published in May 2022 and ranked Goldsmiths 13th in London for the quality of its research, and 51 nationally. These results clearly demonstrate the commitment of Goldsmiths' research community to the research endeavour, and the relevance and impact of the research produced here.

Research case studies

Research case studies presented on the Goldsmiths website www.gold.ac.uk/research/case-studies/ such as the below show how our research makes a difference on policy, place, and people's lives.

Professor Claudia Bernard (Department of Social, Therapeutic and Community Studies) undertook the first piece of social work research in the UK to explore child abuse in affluent families. Commissioned by the City of London Corporation, this national study explored how social workers engage with parents from affluent backgrounds in suspected child neglect cases and showed these parents used their social and financial capital to manipulate the child protection system. It led to policy changes in the City of London and five other London boroughs, affecting the work of over 4,800 social workers. Findings have also influenced safeguarding policies in several independent schools, as well as training delivered by the regulatory body for independent schools in their work with over 700 inspectors.

Professor Rebecca Cassidy (Department of Anthropology) has helped parliamentarians to think differently about gambling and informed public debates in the UK and beyond. Her research was used in a House of Commons briefing paper about Fixed Odds Betting Terminals. Her work with policymakers helped to raise awareness of the risks posed by these machines, and the Conservative government went on to cut the maximum stake allowed from £100 to £2 in 2018. Her work also assessed the impact of gambling advertising on children and young people. It was quoted extensively in House of Lords debates, and the Labour Party used it to call for a levy to fund research and a ban on gambling logos on football shirts. Sky subsequently began to limit gambling adverts in their commercial breaks and some football clubs released replica shirts for children without logos of gambling sponsors.

Forensic Architecture provided vital evidence to majority Black communities in Louisiana to halt the expansion of the area's Petrochemical Corridor and protect the burial sites of their enslaved ancestors. The team used advanced cartography techniques to identify possible burial sites and lost graves. In partnership with researchers at Imperial College London, the team also demonstrated that toxic chemicals were circulating in the air between Baton Rouge and New Orleans, an area known as Death Alley, or Cancer Alley, since residents who breathe its toxic air suffer some of the highest rates of cancer in the United States.

External grant capture

Figures on external research grants and contracts are shown in the table below. Research income, presented as the amount spent over the course of the year, has been variable over the past eight years, falling to a low of £3.8 million in 2016-17 and rising to £6.1m in 2018-19. While we were hoping that the increase we saw in 2018-19 would be matched, or exceeded, in 2019-20, research income spent that year fell to £4.9m as a result of the pandemic.

More recently, certain external and internal developments have affected the amount spent in 2021-22. Internally, some staff departures have had an impact on the figures, since researchers who hold large awards take these with them if they change institution. Externally, Goldsmiths obtains a significant proportion of its research grant funding from two major sources: UK research councils, and the European Research Council. The UK government's decision to withdraw or reduce three major international funds overseen by the UK research councils – the Global Challenge Research Fund (GCRF), the Newton Fund, and the Fund for International Collaboration – has had a negative impact on the College's ability to secure funds from these sources. The continuing uncertainty over European sources of funding has also had a negative impact on Goldsmiths, along with other universities.

| | 2021-22 | 2020-21 |
|---|---------|---------|
| Research grants and contracts £'000 [A] | 4,472 | 6,014 |
| Number of academics on teaching and research contracts (FTE basis) [B] | 374 | 415 |
| Research income per relevant academic [A]/[B] | £11,957 | £14,490 |

Some illustrative examples of externally funded research projects include:

Sensing Soil Art Residency at the Art Research Garden, Goldsmiths: Dr Rosalind Gray (Art) is leading this community research and residency project funded by the Natural Environment Research Council. It seeks to inspire climate action, amplify the voices of refugees and migrants in climate narratives, and contribute to ongoing work towards formal recognition of climate change as a driver of displacement worldwide.

Alan Turing AI Network Development Grant: Professor Larisa Soldatova (Computing) was one of the first researchers ever to be awarded funding from this new scheme, and will use it to lead the development of an engaged, diverse community of data science and AI researchers, across all career stages, here at Goldsmiths.

Building an International Network for Virtual Dance Collaboration: Deploying Goldsmiths MoCap Streamer Tool for Inclusive and Sustainable Development: Funded by the Arts and Humanities Research Council, Dr Daniel Strutt (Media, Communications and Cultural Studies) aims to implement an open-source software tool for the real-time streaming of motion capture data, allowing dancers from different geographical locations to dance together in a shared virtual space.

Researcher training and development

We have continued to expand our researcher development programme, delivering a wide range of training events for research-active staff. In 2021-22 this included a masterclass for early career researchers on how to bid successfully for external funding, and sessions on writing a research data management plan and on publicising research effectively for researchers at any career stage.

Our dedicated Researcher Development Hub serves as a source of news and useful resources, including opportunities for knowledge exchange and engagement with non-academic partners. We have also re-launched our research opportunities e-bulletin to make these opportunities more easily accessible for researchers, and established a Strategic Research Fund looking to provide 'seed corn' support for projects with the potential to strengthen Goldsmiths' interdisciplinary research profile.

4. STRENGTHENING OUR INTERNATIONAL RELATIONSHIPS AND PROFILE

We continue to extend our international activities in line with our institutional strategic objective 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 pandemic, and international fee income dropped to £29.6 million.

With a return to more familiar conditions for student decision-making in 2021-22 – specifically, UK borders being open and a return to face-to-face teaching – international recruitment saw a strong post-pandemic recovery. This was driven by a significant increase in postgraduate taught enrolments – a market we had deliberately pursued through our international activities. As a result, in 2021-22 international fee income increased to £50.3 million from £29.6 million in 2020-21, and the proportion of international students far surpassed the 2019-20 pre-pandemic levels.

| | 2021-22 | 2020-21 | 2019-20 | 2018-19 | 2017-18 |
|--|---------|---------|---------|---------|---------|
| Proportion of international students* | 30.4% | 28.0% | 29.2% | 27.8% | 26.4% |

*as percentage of total student FTE

Student demand for overseas placements remained strong in 2021-22 despite the pandemic. We supported 96 students to undertake an international placement between September 2021 and September 2022 (funding relates to the 2021-22 financial year). Of these, 95 students participated in person, and one participated virtually. 68.75% of these placements met our widening participation criteria, an increase on last year's 56%. 47 students were funded by Erasmus Plus programme funding (€80,802), 31 were funded by Santander Universities (£35,785) and 18 were funded by Goldsmiths (£9,000).

28 widening participation students who completed Erasmus Plus study placements also received additional Access to Mobility funding (£8,000).

We have received positive participant feedback with most participants reporting having gained professionally, academically and personally from the placement. These gains included the development of industry- or subject-specific skills as well as soft skills.

Additionally, we submitted a successful bid for Turing Scheme funding for £61,660 to be spent between March 2022 and August 2022. Our Santander Universities funding has been renewed until 2024 with £27,000 per year confirmed for Global Opportunities. We have Erasmus project funding for the new academic year (ending May 2023).

2021-22 was our last ever round of staff mobility, which the new Turing scheme does not permit. Erasmus Plus funding of €17,325 has been allocated to support 11 staff to undertake mobility opportunities.

Despite the pandemic, the International Development and Academic Partnerships team has continued to expand Goldsmiths' network of high-quality academic partners that share our global outlook and commitment to innovation and excellence in education. Through our strategic teaching and recruitment partnerships, we raise our international profile, diversify our income streams, provide a Goldsmiths education to students around the globe, and promote the sharing of practice and pedagogy, allowing our staff to gain insight from different countries and cultures which will enrich their teaching and research.

Our partnership with LASALLE, College of the Arts in Singapore is entering a new phase. Through collaboration with Goldsmiths over the last decade, LASALLE has reached its goal of obtaining degree-awarding powers and will soon be launching Singapore's first public university of the arts in association with Nanyang Academy of Fine Arts (NAFA). This will open up new collaborative opportunities and leave a significant and lasting legacy of our partnership.

Two new validation partnerships, with Athens Conservatoire College of Music and Algebra University College (Zagreb), are set to launch in September 2022 with courses in Music Performance, Computing, Management Studies and Design. The partnership with Algebra will be the first of its kind between the UK and Croatia.

We have added five new articulation partnerships with institutions in the UK, India, Indonesia and the USA that will support progression to programmes in the Institute of Management Studies (IMS), Computing, Law, and Media, Communications and Cultural Studies departments. A further five such partnerships are in development with institutions in Uzbekistan, Singapore, Vietnam and the USA across IMS, Computing, and Educational Studies.

These agreements will bring high-quality students to Goldsmiths' on-campus programmes and provide a springboard into more extensive collaboration. We aim to grow these partnerships across the breadth of Goldsmiths' academic disciplines.

We have also embarked on the development of several dual degree programmes with institutions in Hong Kong, mainland China, and South Korea. Through these programmes we will work alongside our partners to provide students with high-quality, rewarding and impactful learning experiences that draw on the strengths of each institution.

The impacts of Brexit and the pandemic have only highlighted the importance of developing longstanding, sustainable collaborations in global higher education, research and innovation. We look forward to growing our network of academic partners and moving into new models of cooperation such as franchise and joint PhDs, to ensure students around the world can access the best possible learning opportunities.

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

In October 2021 Goldsmiths launched a new Civic Strategy, 'A Better World, Delivered Locally', setting out a vision for its civic responsibilities and commitments. This strategy was launched in conjunction with the College's first Civic University Agreement (CUA), developed in collaboration with 11 anchor institutions in the London Borough of Lewisham. Our CUA co-signatories include the local authority, Lewisham Council; the local NHS Trust; museums and cultural organisations such as the Migration Museum, Horniman Museum and Gardens and The Albany; education providers such as Lewisham College and Trinity Laban Conservatoire of Music and Dance; Lewisham Homes and Phoenix Community Housing, two major housing associations; and charities such as Lewisham Local and the 999 Club.

Collectively, the CUA co-signatories incorporate a significant and diverse cross-section of society in Lewisham. Our agreement constitutes a commitment to working collectively to address shared priorities and local issues, from educational attainment and aspiration to sustainability and action on the climate emergency. Goldsmiths was among the first universities in the country to commit to developing a CUA, and the first university in London to launch one. Our agreement was launched at an event at the Horniman Museum by the Mayor of Lewisham, Damien Egan.

We were fortunate to be able to launch our Civic Strategy and Civic University Agreement in conjunction with Lewisham's year as London Borough of Culture.

Running throughout 2022, 'We Are Lewisham' is a year-long, borough-wide cultural programme celebrating Lewisham's diverse communities and inspired by the borough's rich history standing up for equality. It aims to shine a national spotlight on the cultural wealth of Lewisham, with Goldsmiths playing a key role.

Goldsmiths' contributions to Borough of Culture initiatives have extended across departments. Examples include a project working with over 500 local high street businesses to build their engagement with the programme, participation in a series of borough-wide 'Climate Conversation' events raising awareness of the climate emergency, and partnership in 'Creative Futures', a programme aimed at helping people find a foothold in the creative industries. Goldsmiths also leads on 'In Living Memory', a major programme of co-produced cultural activity working with grassroots organisations across the Borough to build a new social history of Lewisham since 1945.

Various departments at Goldsmiths have launched new initiatives that demonstrate the College's commitment to working with local partners for the greater civic good. These include support programmes offering consultancy to local businesses and freelancers, a residency programme at Goldsmiths Centre for Contemporary Art (CCA) which opens its gallery space to local communities, and a new programme of outreach activities linked to Goldsmiths' Green New Deal. Climate engagement includes working with 100 students at St James Hatcham Primary School on activities relating to our Environmental Enhancement and ecology programmes, involving pupils directly as citizen scientists exploring biodiversity on our campus.

As a further commitment to engaging locally to drive positive change, a new workplace volunteering policy has been introduced that will allow staff to take up to three days of paid leave annually for volunteering. This includes an option to take 'Civic Days' to volunteer locally, allowing all staff to get hands on in helping the College deliver on its civic commitments and help make Lewisham a better place. We will work with our Civic University Agreement partners, and other partners in Lewisham, to align 'Civic Days' to local needs and opportunities.

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

The impact of the pandemic lessened in 2021-22 and Goldsmiths returned to in-person teaching across almost all programmes.

Goldsmiths offered a centralised Alumni Laptop Donation Fund where students could apply to receive a donated laptop. 96 laptops were distributed in total.

In addition, the College ran a Covid-19 Travel Fund to help students who met the criteria for the Student Hardship Fund with the costs of Covid-19 tests or quarantine expenses in order to arrive in the UK.

At the same time, we provided a wide range of awards for students facing financial difficulties through our Student Hardship Fund. In total, some £266,467 of funding was distributed to 906 students between September 2021 and June 2022 through the Travel and Hardship Funds.

Wellbeing mentoring support was provided to 129 students to supplement existing wellbeing support offered to students.

For staff, our network of trained Mental Health First Aiders has continued to be available to staff and students requiring support either on campus or remotely. In addition, our confidential and independent Staff Assistance Programme (SAP) offers 24/7/365 support to staff, including counselling. The SAP, which complements our internal staff counselling offer, has received over 900 contacts, with 21 staff accessing the SAP counselling service. 95% of these experienced an improvement in their mental health because of the support programme.

Throughout 2021-22 the standalone programme of activities under the umbrella of Staff Wellbeing engaged over 269 staff. This included Pilates, yoga, creative writing, the staff choir and journaling workshops. Staff were also offered bespoke, interactive learning webinars relating to mental health awareness, psychological safety and navigating uncertainty.

The College continues to build relationships with our alumni community through e-newsletters, social media, Goldlink, the alumni magazine, and online and in-person events.

The College supports a global alumni community of over 75,000 alumni in 150 countries. In 2021-22, 426 alumni generously donated a total of £128,000 to Goldsmiths, which includes donations towards the Equity Awards (£24,000), Greatest Need (£41,000), Goldsmiths Centre for Contemporary Art (£20,000), and Student Support and Student Hardship (£14,000). Alumni contributed over 1,000 volunteering hours, including 92 alumni who delivered 920 hours of mentoring to students on the Goldsmiths Mentoring Scheme, which supports Black, Asian and Minority Ethnic students, disabled students and Gold Award students. 146 alumni who studied at Goldsmiths in the 1970s and 80s attended an all-day, in-person, alumni reunion in the autumn of 2021.

7. BUILDING AN EFFICIENT AND EFFECTIVE INFRASTRUCTURE

The College's financial performance and cash-generation has been under pressure in recent years with the situation exacerbated by Covid-19. We experienced a significant reduction in cash balances over the four years to July 2021.

In January 2021 the College launched its Recovery Programme: a change management programme which aims to reduce annual costs by £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. Efficient and effective infrastructure is both an aim and an enabling feature of this programme.

Our cash generation improved significantly in 2021-22, as shown in the table below. This resulted from necessary but difficult choices such as lower capital investment and a hiring freeze, despite a period of relatively high of staff turnover. Capital expenditure was modest, and the disposal of a small group of assets and a recovery in overseas student recruitment also contributed to this improvement. We are now in a stronger position to move forward in developing and implementing the College's strategy, as well as to weather future challenges.

Infrastructure enhancement

Our Information Technology and Information Systems (IT&IS), Estates and Facilities, and Finance teams have continued to focus on initiatives to enhance our infrastructure.

IT&IS has continued to focus on improving core infrastructure, including: upgrades to the network and Wi-Fi provision, migration of some critical applications to the Cloud, upgrade of data centre infrastructure, migration from local drives to SharePoint for document management, and a move to MS Teams for telephony. We continue to focus on the digitisation of previously manual processes and, where possible, move activities to self-service.

Over the next 12 months we will be implementing a new support model and service tool for IT. We will also be developing an organisation-wide digital strategy. This will require some additional investment as we seek to improve core capability within the department and help the organisation achieve its digital ambitions. The strategy will be focused on initiatives that can improve technology and support for teaching, learning and research as well as improving overall student experience.

The Estates team continues to focus on three key areas:

- Compliance works, including fire protection, life safety systems, asbestos removal and updating policies and procedures
- Infrastructure improvements, including heating, cooling, ventilation/air filtration systems and low voltage power distribution systems
- Efficiencies, including LED lighting, biofuel boilers, and retrofitting older plant with new technologies to save energy

Underpinning these IT&IS 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 [77](#).

| | 2021-22 £'000 | 2020-21 £'000 | 2019-20 £'000 | 2018-19 £'000 | 2017-18 £'000 |
|---|------------------|------------------|------------------|------------------|------------------|
| Net cash inflow from operating activities | 18,744 | 2,524 | 1,925 | 9,801 | 11,009 |
| As a percentage of income | 13.6% | 2.0% | 1.5% | 7.4% | 8.7% |
| Cash and cash equivalents at the end of year | 36,801 | 20,378 | 22,059 | 29,225 | 26,676 |

OUR OPERATING STRUCTURE

Goldsmiths' formal governance structures, including the roles of Council, Academic Board and their respective sub-committees, are explained in detail in the Corporate Governance and Internal Control section on pages [30](#) to [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 Chief Operating Officer (formally the Registrar and Secretary in the Statutes and Ordinances) and the Chief Financial Officer (formally the Director of Finance in the Ordinances). The Chief Operating Officer is responsible for all student-facing services as well as Governance, Legal, Human Resources, Communication and Marketing activities, Estates and Facilities, and Information Technology and Information Services.

During the 2021-22 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 | Dr Stephen Graham | Professor Matthew Cragoe Professor Adam Dinham <i>(from July 2022)</i> | Dr Anna Carlile |
| Departments | <ul style="list-style-type: none"> ▪ Art ▪ Design ▪ English & Creative Writing ▪ Music ▪ Theatre & Performance | <ul style="list-style-type: none"> ▪ Anthropology ▪ History ▪ Law ▪ Media, Communications and Cultural Studies ▪ Politics and International Relations ▪ Sociology ▪ Visual Cultures | <ul style="list-style-type: none"> ▪ Computing ▪ Educational Studies ▪ Institute for Creative and Cultural Entrepreneurship (ICCE) ▪ Institute of Management Studies (IMS) ▪ Psychology ▪ Social, Therapeutic and Community Studies (STaCS) |

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

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

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

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

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

- **Warden**
Professor Frances Corner
- **Pro-Warden for Learning, Teaching and Enhancement**
Professor Elisabeth Hill
- **Pro-Warden for Research and Enterprise**
Professor David Oswell
- **Head of the School of Arts and Humanities**
Dr Stephen Graham
- **Head of the School of Culture and Society**
Professor Matthew Cragoe
- **Head of the School of Professional Studies, Science and Technology**
Dr Anna Carlile (*from October 2021*)
- **Chief Operating Officer**
Helen Watson (*until 1 February 2022*)
Jilly Court (*Interim from 2 February 2022*)
- **Chief Financial Officer**
Imran Chughtai (*from 31 August 2021*)
- **Interim Director of Human Resources**
Susan Edwards (*from 15 November 2021*)

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 to 29. We need 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
- Invest in people and infrastructure to deliver an outstanding student experience

We entered the financial year having experienced a financial shock from Covid-19, particularly as a result of a significant shortfall in overseas postgraduate student numbers and tuition fee income in 2020-21.

As a result, we had underlying deficits of £12.0 million in 2019-20 and £6.5 million in 2020-21. Over the two years to 31 July 2021 our cash balances fell by £8.9 million, despite a significant reduction in capital expenditure.

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 from 2022-23 (see Section 7, 'Building an efficient and effective infrastructure', above).

2021-22 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 2021-22 financial performance.

Management measures underlying financial performance after excluding certain gains and costs as shown in the table below. This is because the reported financial performance for the year is distorted by one-off items or non-cash accounting items, including charges and credits in connection with the valuations of the LPFA and USS pension schemes, staff restructuring costs, asset impairments and gains on asset disposals. In the table below we have removed these from our analysis of underlying performance.

In summary, the 2021-22 financial headlines are as follows:

- Total income rose by 8.7% to £137.4 million, largely driven by a significant increase in overseas student recruitment, partly offset by a reduction in home student recruitment
- Excluding the items in the table below, total underlying expenditure increased from £133.9 to £135.3 million. This was a result of additional costs related to inflation and the cost of the Strike Assessment Award Scheme, offset by savings from the Recovery Programme and other actions taken to control costs including a hiring freeze
- As demonstrated in the table below, the underlying position, after adjusting for the above items, has improved significantly from a deficit of £6.5 million to a surplus of £2.1 million

| | 2021-22 £ million | 2020-21 £ million |
|-------------------------------------|----------------------|----------------------|
| Reported deficit | (28.9) | (12.7) |
| USS charge/(credit) | 27.8 | (1.3) |
| LPFA pension charge | 6.1 | 5.7 |
| Staff restructuring costs (VSS) | 0.8 | 1.3 |
| Impairment of Enterprise Hub | - | 0.9 |
| Loss/(gain) on investments | 0.1 | (0.4) |
| Gain on disposal of assets | (3.8) | - |
| Underlying surplus/(deficit) | 2.1 | (6.5) |

The net cash inflow from operating activities was £18.7 million (2021: £2.5 million).

- After taking into account non-operating cash movements such as the College's ongoing estates and IT capital expenditure programme and the costs of servicing debt and finance leases, total cash balances as at 31 July 2022 were £36.8 million, £16.4 million higher than at the same point in 2021
- Net assets increased by £20.2 million from £38.5 million to £58.7 million as a result of a favourable actuarial movement in the LPFA pension scheme deficit of £49.0 million. This offset the 2021-22 reported deficit of £28.9 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.

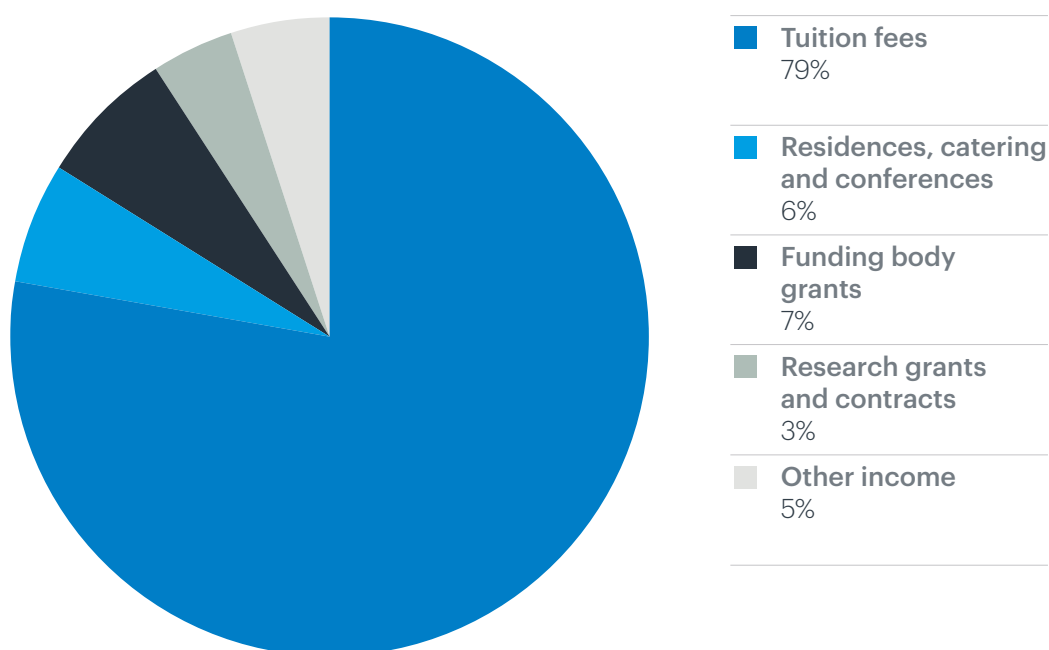
In that time, our primary income source has shifted from government grants (which accounted for just over half of income in 2005-06) to student tuition fees (which accounted for 79% of income in 2021-22). This has had the effect of shifting our income from stable sources to a far more market-driven (and 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
- Residences, catering and conferences
- Funding body grants
- Research grants and contracts
- Other income

2021-22 sources of income



Income: tuition fees

The majority of our income (79%) is derived from tuition fees. Of this, 37% was from UK and continuing EU students undergraduate tuition fees. These fees are subject to a regulated cap which has been fixed from 2017-18 at £9,250 per annum. In recent years we have been placing more emphasis on postgraduate and international student recruitment, with some success. In 2021-22 our total income from international students increased by 70%.

Most other tuition fees are not regulated in the same way and are generally subject to annual inflationary increases. Income from overseas undergraduate, postgraduate courses and other sources accounted for 63% of tuition fee income in 2021-22.

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 students are similar.

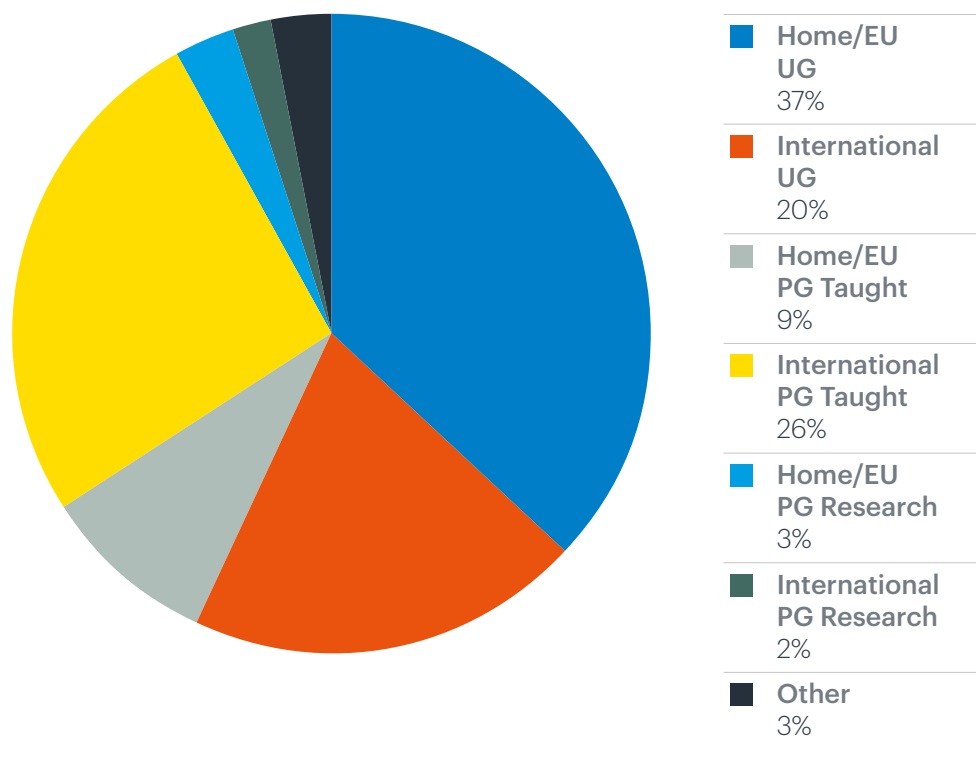
Funding council grants

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 7% of income in 2021-22. Research England research grant funding, also known as QR (Quality-Related) funding, was allocated to institutions in 2021-22 in accordance with the results of the 2014 Research Excellence Framework (REF) exercise. From 2022-23, the funding will be allocated based on the results of REF 2021. A small amount of capital grant funding is also still received from these government bodies, although this now constitutes less than 1% of total income.

Research grants and contracts

In addition to Research England QR funding, Goldsmiths academics submit grant applications to UKRI and European Research Councils, as well as other charitable and commercial bodies, to fund specific research projects. The funding environment is increasingly competitive, with government research priorities typically favouring STEM (Science, Technology, Engineering and Mathematics) subjects rather than the Arts, Humanities and Social Sciences – the areas in which Goldsmiths specialises.

2021-22 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.

Other income

Other income comprises primarily fees from student accommodation and catering activities. In addition, we receive other smaller amounts of income including from other services supplied to external organisations and other grants and donations.

Income performance in 2021-22

In 2021-22, income rose by 8.7% to £137.5 million from £126.4 million, reflecting:

- An increase in tuition fee income of 13.2% from £95.2 million to £107.8 million. This was largely due to an increase in overseas student recruitment following the end of Covid-19 related travel restrictions, and included students who deferred their studies in 2020-21 and returned in 2021-22. The rise in income from overseas students was partly offset by a reduction in income from home students
- An increase in income from residences, catering and conferences of 56.6% from £5.4 million to £8.4 million, as halls of residency occupation and ancillary services recovered from the pandemic
- A reduction in government funding body grant income of 27.3% from £13.6 million to £9.9 million. This was largely related to the abolition of the London Weighting

element of the Office for Students' teaching grant, along with the withdrawal of one-off funding given in 2020-21 to provide additional support during the pandemic

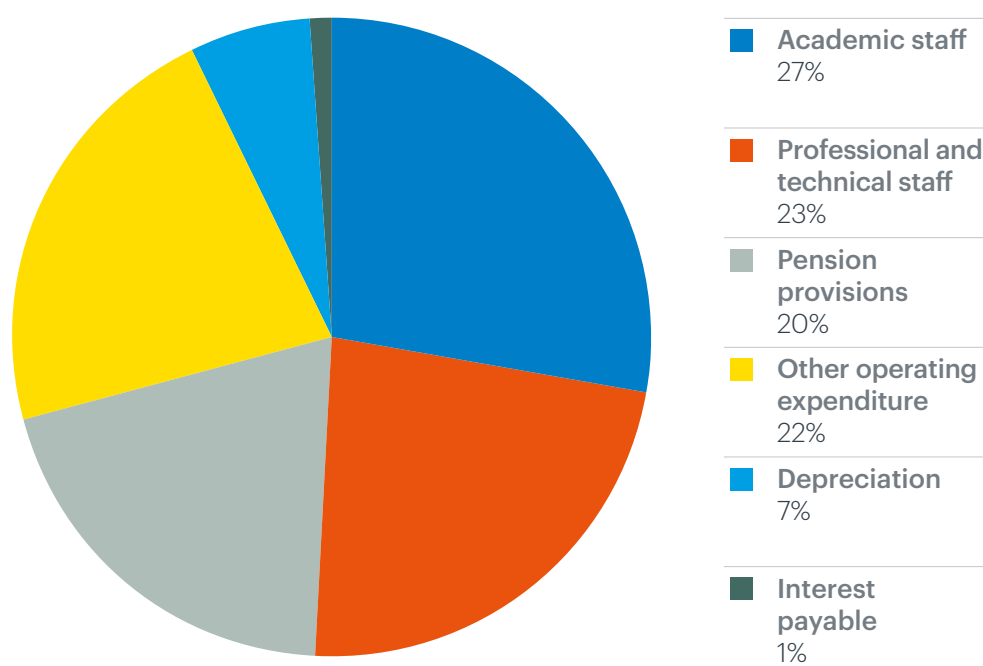
- A reduction in research grant income of 25.6% million from £6.0 million to £4.5 million
- An increase in other income of 9.8% from £6.2 million to £6.9 million as activity normalised following the end of most pandemic restrictions

Expenditure

Our expenditure comprises:

- Staff costs, which are made up of the costs of academic, professional and technical staff salaries and provisions for the future repayment of liabilities in the USS and LPFA pension schemes
- 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

2021-22 expenditure breakdown



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.

We are working hard to ensure that Goldsmiths maintains an environment where our staff feel respected, safe and secure. 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. We were delighted to launch our renewed Equality and Diversity strategy and plan in the previous financial year to work towards this aim.

Goldsmiths employs 1,380 full-time equivalent (FTE) staff, including 664 academic FTEs. We are proud of the continuing recognition being won for teaching, professional services, publications, community events, research and social media activity. 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.

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
- 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 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 to 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. It also reflected the limited on-campus activity necessary during the pandemic.

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.

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 £12.2 million of borrowing (2021: £14.4 million).

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 due to 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 the net deficit position of each scheme remains high and they represent significant liabilities on Goldsmiths' own balance sheet.

The 2020 USS valuation and schedule of contributions used in the 2021-22 financial statements resulted in an increase in the provision of £27.9 million from £19.0 million to £46.9 million. This increase has been charged to the Statement of Comprehensive Income, with £27.8 million charged to staff costs and £0.1 million charged to interest payable. Further information is given in note [24](#) 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 2022 LPFA valuation is underway, although the final results and their implications for the College's contributions are not yet known. A new schedule of contributions will be effective from 1 April 2023.

The triennial valuation of the LPFA scheme is used to determine the schedule of employer and employee contributions for a three-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 2022 is used in these Financial Statements. The result was that the total liability reduced by £42.0 million, from £54.5 million to £12.5 million. In the Statement of Comprehensive Income and Expenditure, £6.1 million has been charged to staff costs (2021: £5.7 million), £0.8 million has been charged to interest payable (2021: £0.7 million) and £49.0 million credited to other comprehensive income (2021: £1.6 million).

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 2021-22

Excluding the USS pension movement in 2021-22, expenditure charged to the Statement of Comprehensive Income and Expenditure increased by 1.0% to £142.3 million (from £140.9 million).

Underlying staff costs, excluding pension provisions and staff restructuring, fell by 1.1% from £84.8 million to £83.8 million. The reduction included the first phase of the Recovery Programme and savings from open positions due to a hiring freeze as well as a higher-than-normal level of staff turnover. However, these savings were partly offset by pay inflation, additional staff in a small group of departments experiencing high student number growth, and the cost of staff working for the Recovery Programme's Delivery Team. There was also a reduction in the annual leave accrual for untaken leave on 31 July 2022, which fell by £0.8 million compared to 31 July 2021 due to a change in internal policy that brought the amount of untaken annual leave staff can carry forward into the next leave year back to the normal allowance of five days. The increased allowance of ten days last year was to take account of Covid-19 restrictions.

Other operating expenses increased by 7.0% from £35.1 million to £37.5 million. The increase was largely driven by a £2.5 million provision for the Strike Assessment Award Scheme and additional agency staff cover for critical open positions.

Total depreciation and amortisation charges fell by 0.8% to £12.2 million. Depreciation charges for 2021-22 include £1.7 million of accelerated depreciation to correct a number of assets that had originally been assigned the wrong useful economic lives. Depreciation charges for 2020-21 included a one-off impairment of £0.9 million. Excluding these items, underlying depreciation and amortisation charges fell by £1.0 million. This was as result of relatively low levels of capital expenditure over the last two years.

Interest charges increased by 3.0% from £1.7 million to £1.8 million.

Cash flow and balance sheet

Cash flow

In 2021-22, the net cash inflow from operating activities was £19.2 million (2021: £2.5 million). The improved level of operating cash inflow reflects the improvement in underlying performance from a significant underlying deficit of £6.5 million to a surplus of £2.1 million. However, the balance sheet includes a significant level of provisions for items that will be paid in 2022-23, including £2.5 million for the Strike Assessment Award Scheme and £1.2 million for dilapidations, which will reduce operating cash inflow next year.

Total cash balances on 31 July 2022 were £36.8 million, £16.4 million higher than at the same point in 2021.

Capital expenditure totalled £4.8 million (2021 £2.8 million) in 2021-22. During both 2020-21 and 2021-22, capital expenditure was largely on a maintenance basis only, comprising items such as safety compliance works and replacement IT and AV equipment – although in 2021-22 we installed LED lighting across the campus to reduce energy usage and as part of our 2025 Green New Deal objectives.

The cash cost of servicing debt and the finance lease was £3.0 million (2021: £3.0 million).

Balance sheet

Net assets improved by £20.2 million from £38.5 million as at 31 July 2021 to £58.7 million as at 31 July 2022, reflecting the reported deficit for the year of £28.9 million, adjusted by the credit to other Comprehensive Income of £49.0 million related to the actuarial valuation of the LPFA pension scheme. After continued repayment of debt principal, external loan and finance lease balances stood at £12.2 million at 31 July 2022 (2021: £14.4 million).

The external environment

Prior to March 2020 the external environment already posed complex challenges to Goldsmiths. The pandemic exacerbated these pre-existing issues, and the Senior Management Team and Council revised their approach to risk management to reflect the evolving nature of the operating environment. Emphasis has been placed on addressing emerging risks and actively mitigating medium- and long-term risks.

Although issues around the pandemic have begun to stabilise following the lifting of most restrictions, 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 loss of funds that resulted from the pandemic and other environmental factors.



LOOKING FORWARD

Financial outlook

As a result of Covid-19 our financial performance was under pressure, and we had two years of significant underlying deficits and negative cash flows, followed by a recovery in 2021-22. In 2022-23 we face further pressures, including the need to complete the Recovery Programme. Our financial performance is also 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:

- Recovery of home student numbers and stable, growing overseas student numbers
- An improvement in NSS scores and student satisfaction
- 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.

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 College's ability to comply with the terms of its bank facilities.

The College meets its working capital requirements from its cash balances. Council has carried out an assessment of the College's ability to continue as a going concern by reviewing financial forecasts for the 12-month period from the date of signing these financial statements. Those forecasts are based on the actual student recruitment level for the 2022-23 academic year. They also include a range of possible downside scenarios, with a range of student recruitment rates for 2023-24.

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, 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 its cash balances for the period covered by the College's 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 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 through to 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 tight control of all expenditure and continued execution of the College's recovery plan.

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 – 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 into 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' Continuing Professional Development (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. 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 ongoing 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 strategy and operations of the College as outlined 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 these 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 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 'Making a Difference Through our Research and Knowledge Exchange' section.

Appropriate, separate accounting arrangements for these different categories of research are further ensured through a vetting process 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 carbon neutral 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, in summer 2014 Council approved 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 pandemic, the OfS suspended its regulatory regime. It has now reverted to this regime. The College has continued to engage with its regulator and to provide information in the required format and timescales. There have been occasions where it has been necessary to make reports to the OfS pursuant to their guidance. Most recently the College has been engaged in a specific reporting routine relating to the impact on students of industrial action observed at the College in the summer of 2022 in the form of a marking and assessment boycott.

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 Chief Operating Officer and the Chief Financial Officer, 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.

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.

At least one joint meeting between Council and Academic Board takes place in each academic year. The two bodies came together on 30 March 2022 to collaborate on the development of institutional strategy.

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. Following the disestablishment of the Estates and Infrastructure Committee, the Committee has assumed enhanced responsibilities in respect of the strategic deployment of capital, supported by the Capital Steering Group.

Audit and Risk Committee

The Audit and Risk Committee has terms of reference based on the Model Terms of Reference in the Committee of University Chairs (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.

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.

Other committees

The Human Resources and Equalities 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 adopted 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 now adopts this revised code. It is anticipated that the College's internal audit function will be asked to review compliance with the same during the 2022-23 financial year.

Trade Union Disclosure 2021-22

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 2021-22 is as follows.

The number of employees who were relevant union officials during the year totalled 36 staff (24.5 full-time equivalent).

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

| | 2022 | 2021 |
|--------------------|---------------------|---------------------|
| Percentage of time | Number of employees | Number of employees |
| 0%-50% | 36 | 20 |
| 51%-99% | 0 | 1 |
| 99%-100% | 0 | 0 |

The percentage of total salary costs spent on Facility Time totalled 0.16%, which equates to £147,500.

In relation to total paid Facility Time hours, no time was 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 has acted as the College's internal auditor, and has provided a Head of Internal Audit's Overall Opinion of "partial assurance with improvement required". Arrangements for economy, effectiveness and efficiency were deemed adequate, but improvements are required to the arrangements for risk management, control and governance as well as data quality. Whilst this is not unexpected – reviews undertaken within the year were focused on areas where management considered that there were identified opportunities for an enhancements in the control environments in these areas – it is, nonetheless, disappointing, given the successive positive opinions provided in the past few years.

Five reviews were completed in the 2021-22 financial year. The total number of internal audit recommendations raised during the period was 18 (with six "High" priority recommendations) compared to 26 (with three "High" recommendations) in 2020-21. This indicates a continued enhancement in controls across the institution, but highlights where improvement to controls may still be required. The reviews undertaken have presented opportunities to materially enhance controls in a number of areas, including student retention, space utilisation and IR35 data quality. We are actively pursuing these opportunities and implementing the recommendations raised to strengthen the control environment – and will continue to do so in future financial years.

The College has continued to ensure that risk management was effectively integrated at all levels within the College, as well as providing strategic oversight of the bigger risks, throughout 2021-22. The risk management framework in operation under the auspices of the Risk Management Policy has evolved to ensure that risk management is dynamic.

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 2021-22. 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. Each body continues to consider whether the risks and indicators are accurate and mitigations are sufficient, and 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 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, UNIVERSITY OF LONDON

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 2022 and of the College's income and expenditure, gains and losses, changes in reserves and of the College's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

We have audited the financial statements of Goldsmiths, University of London ("the College") for the year ended 31 July 2022 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. The 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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”), UK Research and Innovation (including Research England) and Department for Education

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 note 4 to the financial statements, has been materially misstated.
- The College’s expenditure on access and participation activities for the financial year, as has been disclosed in note 8b to the financial statements, has been materially misstated.

Responsibilities of the Council members

As explained more fully in the Responsibilities of Council statement, the Council members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 members are responsible for assessing the College’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council members either intend to liquidate the College or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 entity and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations are related to their registration with the Office for Students and their ongoing conditions of registration, 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:

- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and relevant regulators to identify any actual or potential frauds or any potential weaknesses in internal control which could result in fraud susceptibility;

- Discussions with management and Audit Committee, including consideration of known or suspected instances on non-compliance with laws and regulations and fraud, including direct representation from the Accountable Officer;
- Reviewing items included in the fraud register as well as the results of internal audit's investigations into these matters;
- Challenging assumptions made by management in their significant accounting estimates in particular in relation to the defined benefit pension liability, provision against student and other debtors and the annual leave accrual;
- In addressing the risk of fraud, including the management override of controls and improper income recognition, we tested the appropriateness of certain journals, reviewed the application of judgements associated with accounting estimates for the indication of potential bias and tested the application of cut-off and revenue recognition; and
- Identifying and testing journal entries, in particular any journal entries posted from staff members with privileged access rights, journals posted by key management, journals posted and journals posted after the year end.

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.

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, UK Research and Innovation (including Research England) and Department for Education.

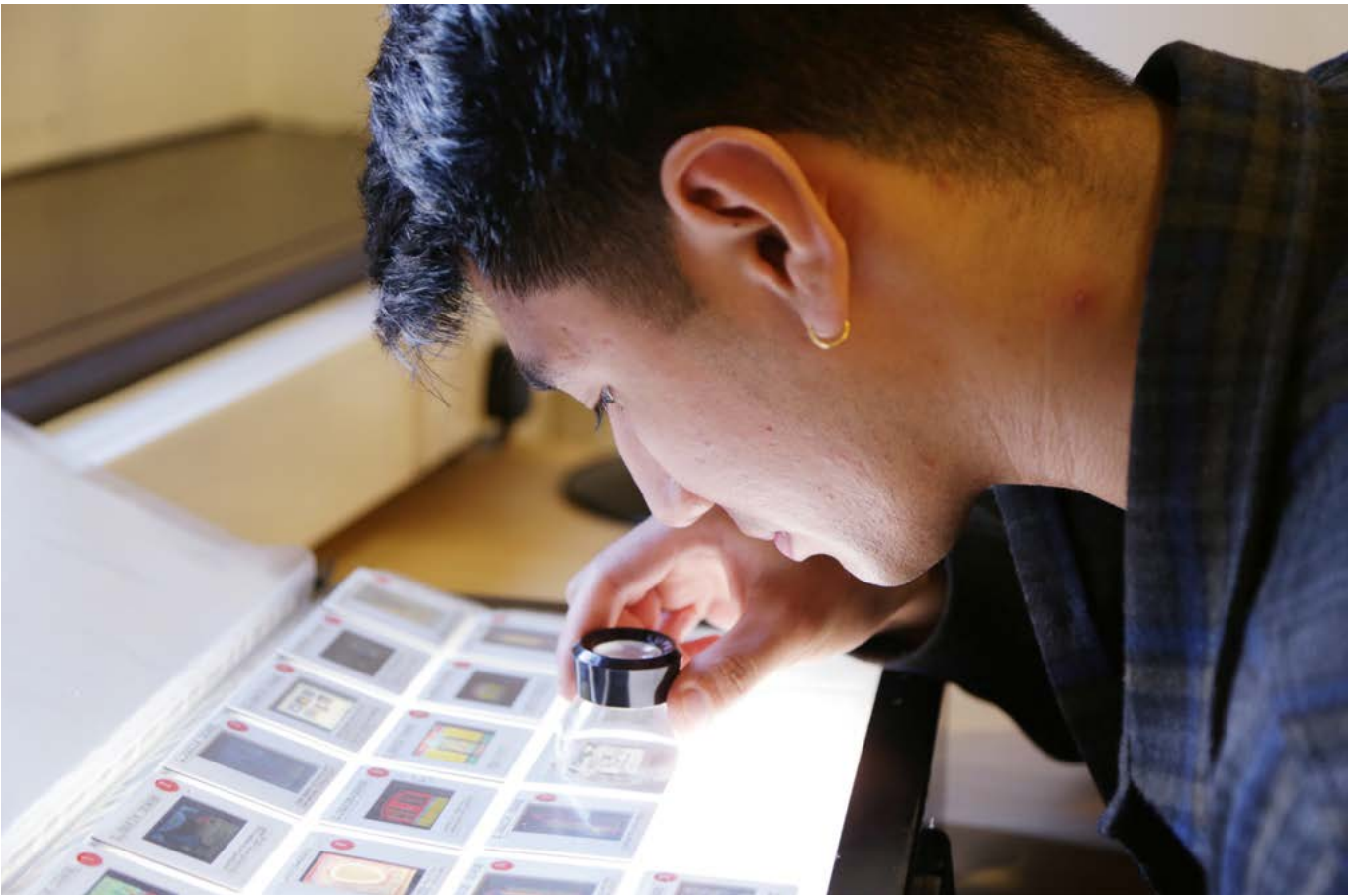
Use of our report

This report is made solely to the 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 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 AuditorGatwick

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 2019 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.

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, exposure to principal risks, and the ability to comply with the terms of its bank facilities.

The College meets its working capital requirements from its cash balances. Council has carried out an assessment of the College's ability to continue as a going concern by reviewing financial forecasts for the 12-month period from the date of

signing these financial statements. Those forecasts are based on the actual student recruitment level for the 2022-23 academic year. These forecasts also include a range of possible downside scenarios, with a range of student recruitment rates for 2023-24.

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 financial 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 its cash balances for the period covered by the College's 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, a dormant company, 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 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 this 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 for 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 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.

Regarding 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 wholly a 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. An expense is therefore 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. For the 2022-23 tax year, staff earning up to a threshold of £40,000 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 £40,000 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. 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 can recover the surplus either through reduced contributions in the future or through refunds from the plan.

i) Intangible fixed assets

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

j) Tangible fixed assets

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

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

Land

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

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

Buildings

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

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

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

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

Equipment

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

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

| | |
|----------------------------------|---------|
| Desktop computer hardware | 3 years |
| Other plant and equipment | 5 years |

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether the assets are impaired. Where there is any indication of impairment the carrying value of the asset is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying value exceeds the recoverable amount. The recoverable amount is the higher of the asset's fair value, less costs to sell and value in use. For assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

Other assets

Any works of art and other valuable artefacts purchased by Goldsmiths which are of material value, and which 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) Impairment

A review for potential indicators of impairment of the College's tangible and intangible assets is carried out at each year end. Factors taken into consideration include the economic viability and future financial performance of the asset, and – where part of a larger cash generating unit – the viability and performance of that unit. If circumstances indicate that the carrying amount of assets may not be recoverable, an impairment value is charged against the asset and to the Statement of Comprehensive Income and Expenditure.

l) 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.

m) 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.

n) Cash and cash equivalents

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

Cash equivalents are short term (maturity being less than three months from the placement date), highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

o) 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.

p) 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.

q) 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.

r) 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-backed 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.

s) 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.

t) 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 typically represents 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 deficit recovery plan in existence at the date of approving the financial statements.

u) Key sources of estimation uncertainty

Bad debt provision

Student and other receivables (note 15) are shown after deduction of an estimated provision of £6.0 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 2021, but was no longer outstanding on 31 July 2022.

Annual leave accrual

Accruals and deferred income (note 17) includes an estimated accrual of £3.9 million for untaken annual leave allowances on 31 July 2022 that averaged 12.7 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 24). 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 deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 to 31 March 2024, at which point the rate will increase to 6.3%. The 2022 deficit recovery liability reflects this plan.

**Statement of comprehensive income
and expenditure**

Year ended 31 July 2022

| Income | Note | 2022 £'000 | 2021 £'000 |
|--|--------------------|-----------------|-----------------|
| Tuition fees and education contracts | 1 | 107,796 | 95,207 |
| Funding body grants | 2 | 9,877 | 13,590 |
| Research grants and contracts | 3 | 4,472 | 6,014 |
| Other income | 4 | 15,121 | 11,385 |
| Endowment and investment income | 5 | 174 | 251 |
| Total income | | 137,440 | 126,447 |
| Expenditure | | | |
| Staff costs (excluding USS Pension movement) | | 90,737 | 91,780 |
| USS Pension deficit recovery charge/(credit) | 24 | 27,771 | (1,336) |
| Total staff costs | 6 | 118,508 | 90,444 |
| Other operating expenses | | 37,542 | 35,089 |
| Amortisation and impairment of intangible fixed assets | 11 | 761 | 1,226 |
| Depreciation and impairment of fixed assets | 12 | 11,481 | 11,117 |
| Interest and other finance costs | 7 | 1,789 | 1,737 |
| Total expenditure | | 170,081 | 139,613 |
| Deficit before other gains and losses | | (32,641) | (13,166) |
| Gain on disposal of fixed assets | 9 | 3,832 | - |
| (Loss)/gain on investments | 20 | (54) | 425 |
| Deficit before tax | | (28,863) | (12,741) |
| Taxation | 10 | - | - |
| Deficit for the year | | (28,863) | (12,741) |
| Actuarial gain in respect of pension schemes | 24 | 48,998 | 1,562 |
| Total comprehensive income/(loss) for the year | | 20,135 | (11,179) |
| Represented by: | | | |
| Endowment comprehensive (loss)/income for the year | 20 | (124) | 408 |
| Unrestricted comprehensive gain/(loss) for the year | | 20,259 | (11,587) |
| | | 20,135 | (11,179) |

All items of income and expenditure relate to continuing activities.

Statement of changes in reserve

Year ended 31 July 2022

| | Income and expenditure reserves | | | Total £'000 |
|---|-----------------------------------|-----------------------|---------------------------------|-----------------|
| | Restricted: endowment £'000 | Unrestricted £'000 | Revaluation reserve £'000 | |
| Balance at 1 August 2020 | 14,862 | (10,312) | 45,160 | 49,710 |
| Total comprehensive (loss) for the year | 408 | (11,587) | - | (11,179) |
| Transfers between revaluation and income and expenditure reserve | - | 526 | (526) | - |
| Total movement in reserves | 408 | (11,061) | (526) | (11,179) |
| Balance at 1 August 2021 | 15,270 | (21,373) | 44,634 | 38,531 |
| Total comprehensive income/(loss) for the year | (124) | 20,259 | - | 20,135 |
| Transfers between revaluation and income and expenditure reserve | - | 1,041 | (1,041) | - |
| Total movement in reserves | (124) | 21,300 | (1,041) | 20,135 |
| Balance at 31 July 2022 | 15,146 | (73) | 43,593 | 58,666 |

The transfer between the revaluation and income and expenditure reserves of £1,041,000 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 (2021: £526,000)
- The value of assets held on the revaluation reserve which were disposed in 2021-22, which was £515,000 (2021: £nil)

Balance sheet

As at 31 July 2022

| | Note | 2022 £'000 | 2021 £'000 |
|---|--------------------|----------------|----------------|
| Non-current assets | | | |
| Intangible fixed assets | 11 | 1,017 | 1,663 |
| Tangible fixed assets | 12 | 122,203 | 129,770 |
| Heritage assets | 13 | 111 | 111 |
| Investments | 14 | 3,139 | 3,193 |
| | | 126,470 | 134,737 |
| Current assets | | | |
| Trade and other receivables | 15 | 11,087 | 9,224 |
| Cash and cash equivalents | 16 | 36,801 | 20,378 |
| | | 47,888 | 29,602 |
| Creditors – amounts falling due within one year | 17 | (28,945) | (27,032) |
| Net current assets | | 18,943 | 2,570 |
| Total assets less current liabilities | | 145,413 | 137,307 |
| Creditors – amounts falling due after more than one year | 18 | (22,414) | (23,587) |
| Provisions | | | |
| Pension liabilities | 24 | (59,398) | (73,463) |
| Other | 19 | (4,935) | (1,726) |
| Total net assets | | 58,666 | 38,531 |
| Represented by: | | | |
| Restricted reserves | | | |
| Income and expenditure reserve – endowments | 20 | 15,146 | 15,270 |
| Unrestricted reserves | | | |
| Income and expenditure reserve – unrestricted | | (73) | (21,373) |
| Revaluation reserve | | 43,593 | 44,634 |
| Total reserves | | 58,666 | 38,531 |

The financial statements were approved by the Council on 24 November 2022 and signed on its behalf by:

Dinah Caine CBE
Chair of Council

Professor Frances Corner OBE
Warden

Cash flow statement

Year ended 31 July 2022

| | Note | 2022 £'000 | 2021 £'000 |
|---|------------------------|---------------|----------------|
| Cash flow from operating activities | | | |
| Deficit for the year | | (28,863) | (12,741) |
| Adjustment for non-cash items | | | |
| Amortisation and impairment of intangible fixed assets | 11 | 761 | 1,226 |
| Depreciation and impairment of tangible fixed assets | 12 | 11,481 | 11,117 |
| Artwork assets donated | 12 | (374) | - |
| Loss/(gain) on investments | 14 | 54 | (425) |
| Increase in debtors | 15 | (1,863) | (840) |
| Increase in creditors | 17, 18 | 3,004 | 1,535 |
| Increase in pension provision | 24 | 33,915 | 4,389 |
| Increase/(decrease) in other provisions | 19 | 3,209 | (1,657) |
| | | 50,187 | 15,345 |
| Adjustment for investing or financing activities | | | |
| Investment income | 5 | (103) | (93) |
| Interest payable | 7 | 1,789 | 1,737 |
| Endowment income | 5 | (71) | (158) |
| Gain on disposal of fixed assets | 9 | (3,832) | - |
| Capital grant income | 2, 4 | (363) | (1,566) |
| | | (2,580) | (80) |
| Net cash inflow from operating activities | | 18,744 | 2,524 |
| Cash flows from investing activities | | | |
| Proceeds from sales of fixed assets | | 4,972 | - |
| Capital grants receipts | | 326 | 1,368 |
| Investment income | 5 | 103 | 93 |
| Payments made to acquire intangible fixed assets | 11 | (115) | (212) |
| Payments made to acquire tangible fixed assets | 12 | (4,662) | (2,630) |
| | | 624 | (1,381) |
| Cash flows from financing activities | | | |
| Interest paid | 7 | (601) | (637) |
| Interest element of finance lease | 7 | (171) | (300) |
| Endowment cash received | 5 | 71 | 158 |
| Repayments of amounts borrowed | | (623) | (614) |
| Capital element of finance lease | | (1,621) | (1,431) |
| | | (2,945) | (2,824) |
| Increase/(decrease) in cash and cash equivalents in the year | | 16,423 | (1,681) |
| Cash and cash equivalents at beginning of year | | 20,378 | 22,059 |
| Cash and cash equivalents at end of the year | | 36,801 | 20,378 |

NOTES TO THE FINANCIAL STATEMENTS

1. Tuition fees and education contracts

| | 2022 £'000 | 2021 £'000 |
|---|----------------|---------------|
| Home/EU undergraduates: full-time | 40,471 | 46,493 |
| Home/EU postgraduates: full-time | 9,570 | 11,572 |
| Home/EU students: part-time | 4,354 | 4,157 |
| International students | 50,298 | 29,641 |
| Non-credit bearing courses and other fees | 2,211 | 2,160 |
| Research training support grants | 892 | 1,184 |
| | 107,796 | 95,207 |

2. Funding body grants

| | 2022 £'000 | 2021 £'000 |
|-------------------------------------|---------------|---------------|
| Recurrent grants | | |
| Office for Students: | | |
| Teaching grant | 1,769 | 3,898 |
| Research England: | | |
| Research grant | 6,060 | 6,690 |
| Higher Education Innovation Funding | 652 | 588 |
| | 8,481 | 11,176 |
| Capital grants | | |
| Office for Students capital grant | 30 | 684 |
| Research England capital grant | 333 | 575 |
| | 363 | 1,259 |
| Specific grants | | |
| Office for Students other grants | 37 | 435 |
| Research England other grants | 834 | 555 |
| Grants from other funding bodies | 162 | 165 |
| | 1,033 | 1,155 |
| | 9,877 | 13,590 |

3. Research grants and contracts

| | 2022 £'000 | 2021 £'000 |
|-----------------------------|---------------|---------------|
| Research councils – UK | 1,544 | 2,253 |
| Research councils – EU | 1,519 | 2,069 |
| Research charities – UK | 857 | 1,141 |
| Research charities – EU | 213 | 249 |
| Research charities – Non-EU | 168 | 191 |
| Industry and commerce | 108 | 94 |
| Other | 63 | 17 |
| | 4,472 | 6,014 |

4. Other income

| | 2022 £'000 | 2021 £'000 |
|--------------------------------------|---------------|---------------|
| Residences, catering and conferences | 8,439 | 5,390 |
| Other services rendered | 2,564 | 2,457 |
| Other capital grants | – | 117 |
| Donations | 1,437 | 696 |
| Other grants | 447 | 744 |
| Other income | 2,234 | 1,981 |
| | 15,121 | 11,385 |

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

| Grant and fee income | | | | |
|-----------------------------|---|-------------|-----------------------|-----------------------|
| | | Note | 2022 £'000 | 2021 £'000 |
| Taught awards | Fee income for taught awards (exclusive of VAT) | 1 | 102,899 | 90,254 |
| Research awards | Fee income for research awards (exclusive of VAT) | 1 | 1,794 | 1,609 |
| Non-qualifying | Fee income from non-qualifying courses (exclusive of VAT) | 1 | 3,103 | 3,344 |
| | | | 107,796 | 95,207 |
| OfS | Grant income from the OfS | 2 | 1,836 | 5,017 |
| Research England | Grant income from Research England | 2 | 7,879 | 8,408 |
| Other funding bodies | Grant income from other funding bodies | 2 | 162 | 165 |
| | | | 9,877 | 13,590 |
| Research grants | Research grants from other bodies | 3 | 4,472 | 6,014 |
| Other bodies | Grant income from other bodies | 4 | 447 | 744 |
| Other bodies | Capital grant income from other bodies | 4 | - | 117 |
| | | | 122,592 | 115,672 |

5. Endowments and investment and income

| | 2022 £'000 | 2021 £'000 |
|---------------------------------|-----------------------|-----------------------|
| Investment income on endowments | 90 | 88 |
| New endowments | 71 | 158 |
| Other investment income | 13 | 5 |
| | 174 | 251 |

6. Staff costs

| | Underlying Expenditure £'000 | Annual Leave Accrual £'000 | Pension Provision Movement £'000 | 2022 £'000 |
|--------------------------|---|---|---|-----------------------|
| Salaries and wages | 65,621 | (603) | - | 65,018 |
| Social security costs | 6,594 | (64) | - | 6,530 |
| USS pension scheme cost | 9,774 | (82) | 27,771 | 37,463 |
| LPFA pension scheme cost | 2,426 | (32) | 6,145 | 8,539 |
| Other pension costs | 167 | - | - | 167 |
| Restructuring costs | 791 | - | - | 791 |
| | 85,373 | (781) | 33,916 | 118,508 |

| | Underlying Expenditure £'000 | Annual Leave Accrual £'000 | Pension Provision Movement £'000 | 2021 £'000 |
|--------------------------|---|---|---|-----------------------|
| 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 |
| | 87,504 | (1,449) | 4,389 | 90,444 |

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

The reductions in the annual leave accrual in 2021-22 and 2020-21 were a result of the College returning to its normal internal policy to allow 5 days of untaken leave to be carried forward on 31 August 2022. 10 days were allowed in 2020-21, and 20 days were allowed in 2019-20, due to the pandemic.

Emoluments of the Warden

| | 2022 £'000 | 2021 £'000 |
|--------------------------------------|-----------------------|-----------------------|
| Professor Frances Corner OBE: | | |
| Basic salary | 239 | 235 |
| Pension contribution to USS | - | - |
| Other taxable benefits | 7 | 10 |
| | 246 | 245 |

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. The Warden's remuneration on appointment was determined by the Remuneration Committee which made reference to contextual data from the Universities and Colleges Employers Association (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 Committee of University Chairs (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 Warden's pay is reviewed annually by the Remuneration Committee which last met 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 2021-22 the Warden donated £625, including gift-aid tax relief, to the College, in benefit of the area of greatest need.

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:

| | 2022 | 2021 |
|-------------------------------------|------|------|
| Professor Frances Corner OBE | 6.1 | 6.3 |

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:

| | 2022 | 2021 |
|-------------------------------------|------|------|
| Professor Frances Corner OBE | 6.0 | 6.2 |

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 2021-22. 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:

| | 2022 number | 2021 number |
|-------------------|----------------|----------------|
| £105,000-£109,999 | 2 | - |
| £110,000-£114,999 | - | 1 |
| £115,000-£119,999 | 1 | - |
| £120,000-£124,999 | 1 | 2 |
| £125,000-£129,999 | - | 1 |
| £135,000-£139,999 | 1 | - |
| £160,000-£164,999 | - | 1 |
| £235,000-£239,999 | 1 | 1 |
| | 6 | 6 |

Compensation for loss of office

| | 2022 number | 2022 £'000 | 2021 number | 2021 £'000 |
|--|----------------|---------------|----------------|---------------|
| Compensation for loss of office payable to all staff | 56 | 791 | 67 | 1,305 |

Compensation for loss of office was paid to 32 staff under the Voluntary Severance Scheme and a further 24 staff received payments for other reasons (2021: 38 and 29 respectively)

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.

| Key management personnel compensation | 2022 £'000 | 2021 £'000 |
|---------------------------------------|---------------|---------------|
| | 1,332 | 1,108 |

Key management personnel donated £12,024 of the compensation above to the College through its payroll giving scheme in 2021-22.

Staff numbers

| | 2022 number | 2021 number |
|---|----------------|----------------|
| Average staff numbers by major category: | | |
| Teaching and research | 664 | 676 |
| Administrative and other | 716 | 746 |
| | 1,380 | 1,422 |

Members of Council (who are trustees of the exempt charity) do not receive any remuneration. The total expenses paid to or on behalf of council members was £2,967 (2021 £7,718). 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

| | 2022 £'000 | 2021 £'000 |
|-------------------------------|---------------|---------------|
| Loan interest | 601 | 637 |
| Finance lease interest | 171 | 300 |
| | 772 | 937 |
| Net charge on pension schemes | 1,017 | 800 |
| | 1,789 | 1,737 |

8a. Analysis of total expenditure by activity

| | 2022 £'000 | 2021 £'000 |
|---|-----------------------|-----------------------|
| Academic departments' expenditure | 51,206 | 51,233 |
| Central academic services | 19,059 | 19,032 |
| Staff and student facilities | 9,009 | 7,345 |
| Student bursaries and scholarships | 2,677 | 1,902 |
| Other administration and central services | 22,641 | 21,380 |
| Premises | 19,689 | 20,271 |
| Residences, catering and conferences | 7,273 | 8,770 |
| Research grants and contracts | 3,571 | 4,464 |
| Pension provisions movements | 34,932 | 5,189 |
| Other expenses | 24 | 27 |
| | 170,081 | 139,613 |
| | 2022 £'000 | 2021 £'000 |
| Total expenditure includes: | | |
| External auditors remuneration in respect of audit of financial statements | 80 | 97 |
| External auditors remuneration in respect of other audit services | 17 | 38 |
| Operating lease rentals (land and buildings) | 5,463 | 5,836 |

8b. Access and participation

| | 2022 £'000 | 2021 £'000 |
|-------------------------|-----------------------|-----------------------|
| Access Investment | 1,870 | 1,978 |
| Financial Support | 854 | 830 |
| Disability Support | 916 | 854 |
| Research and Evaluation | 516 | 558 |
| | 4,156 | 4,220 |

This expenditure includes staff costs of £2.4 million (2021: £2.6 million) which are already reflected in the overall staff costs figures in the financial statements (see note 6). Staff time is an apportionment based on time spent on Access and Participation Plan (APP) activities. No rent or utility costs have been apportioned to any category.

Details of the approved plan can be found on our website: <https://www.gold.ac.uk/media/docs/public-information/ofs/Access-and-Participation-Plan-2020-25.pdf>.

9. Gain on disposal of fixed assets

In compliance with the terms of its credit facilities, the College disposed of a number of properties during the year with a total gain on disposal of £3.8m:

- On 4 October 2021, the College disposed of seven freehold properties. The net sales proceeds amounted to £4.4m, with the net book value of the properties at the time of disposal standing at £1.0m. This gives a gain on disposal of £3.4m
- On 1 December 2021, the College disposed of a further single freehold property. The net sales proceeds amounted to £0.6m, with the net book value of the properties at the time of disposal standing at £0.2. This gives a gain on disposal of £0.4m

10. 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.

11. Intangible fixed assets

| | Software Installed £'000 | Software under commissioning £'000 | Total £'000 |
|----------------------------------|--------------------------------|--|----------------|
| Gross Book Value | | | |
| At 1 August 2021 | 11,654 | 407 | 12,061 |
| Additions in year | 36 | 79 | 115 |
| Transfer assets on commissioning | 83 | (83) | - |
| At 31 July 2022 | 11,773 | 403 | 12,176 |
| Amortisation | | | |
| At 1 August 2021 | 10,398 | - | 10,398 |
| Charge for year | 712 | - | 712 |
| Impairment | - | 49 | 49 |
| At 31 July 2022 | 11,110 | 49 | 11,159 |
| Net Book Value | | | |
| At 1 August 2021 | 1,256 | 407 | 1,663 |
| At 31 July 2022 | 663 | 354 | 1,017 |

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

12. Tangible fixed assets

| | Land & buildings | | | | | Total £'000 |
|--|-------------------|--|--|--|---|----------------|
| | Freehold £'000 | Assets held under finance leases £'000 | Other leasehold land and buildings £'000 | Fixtures fittings and equipment £'000 | Assets in the course of construction £'000 | |
| Gross Book Value | | | | | | |
| At 1 August 2021 | 192,340 | 13,272 | 10,336 | 25,777 | 698 | 242,423 |
| Additions in year | 1,134 | - | 174 | 1,698 | 2,048 | 5,054 |
| Transfers from / (to) assets under construction | 70 | - | - | 230 | (300) | - |
| Disposals | (1,624) | - | - | - | - | (1,624) |
| At 31 July 2022 | 191,920 | 13,272 | 10,510 | 27,705 | 2,446 | 245,853 |
| Depreciation | | | | | | |
| At 1 August 2021 | 79,345 | 11,133 | 2,591 | 19,584 | - | 112,653 |
| Charge for year | 6,024 | 2,083 | 436 | 2,908 | - | 11,451 |
| Impairment | 10 | - | - | 20 | - | 30 |
| Disposals | (484) | - | - | - | - | (484) |
| At 31 July 2022 | 84,895 | 13,216 | 3,027 | 22,512 | - | 123,650 |
| Net Book Value | | | | | | |
| At 1 August 2021 | 112,995 | 2,139 | 7,745 | 6,193 | 698 | 129,770 |
| At 31 July 2022 | 107,025 | 56 | 7,483 | 5,193 | 2,446 | 122,203 |

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 was £6.4 million.

A subsequent 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 £6.2 million and the revalued amount was £48.2 million.

Included in Fixtures, Fittings and Equipment are indefinite-lived assets of £396,500

Included within the depreciation charge for the year is £1.7 million related to accelerated depreciation charges to correct errors for groups of assets that were originally assigned incorrect useful economic lives. Of this, £1.4 million relates to assets held under finance leases and £0.3 million relates to fixtures, fittings and other equipment.

Included within the fixed assets above is the Richard Hoggart Building which we have the right to use in perpetuity.

13. 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 2022 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 |
| | 111 |

14. Investments

| | Endowments £'000 | Other Investments £'000 | Total £'000 |
|-------------------------|---------------------|-------------------------------|----------------|
| At 1 August 2021 | 3,165 | 28 | 3,193 |
| Loss in market value | (54) | - | (54) |
| At 31 July 2022 | 3,111 | 28 | 3,139 |

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 20% 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 2022.
- **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 2022 was £47,716. The company has taken its entitlement to exemption from audit under Section 477 of the Companies Act 2006 relating to small companies.

15. Trade and other receivables

| | 2022 £'000 | 2021 £'000 |
|--------------------------------------|-----------------------------|-----------------------------|
| Amounts falling due within one year: | | |
| Research grants receivables | 1,043 | 899 |
| Student receivables | 3,151 | 2,911 |
| Other receivables | 482 | 511 |
| Prepayments and accrued income | 6,411 | 4,903 |
| | 11,087 | 9,224 |

The overall bad debt charge for the year ended 31 July 2022 was £0.6 million (2021: £0.6 million).

16. Cash and cash equivalents

| | 2022 £'000 | 2021 £'000 |
|---|-----------------------------|-----------------------------|
| Bank balances related to unrestricted funds | 35,822 | 19,499 |
| Bank balances related to endowment funds | 979 | 879 |
| | 36,801 | 20,378 |

17. Creditors: amounts falling due within one year

| | 2022 £'000 | 2021 £'000 |
|--|-----------------------------|-----------------------------|
| Secured loans | 631 | 622 |
| Obligations under finance leases | 276 | 1,621 |
| Trade payables | 1,823 | 916 |
| Social security and other taxation payable | 1,750 | 1,783 |
| Annual leave accrual | 3,866 | 4,647 |
| Other accruals | 2,845 | 2,573 |
| Deferred income | 13,071 | 11,751 |
| Other creditors | 4,683 | 3,119 |
| | 28,945 | 27,032 |

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 | 6,711 | 5,374 |
| Research grants and contracts | 3,497 | 3,570 |
| Other deferred income | 1,222 | 1,192 |
| Other grants | 1,195 | 1,078 |
| Amounts due to funding councils | 446 | 500 |
| Deferred capital grants | - | 37 |
| | 13,071 | 11,751 |

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

| | 2022 £'000 | 2021 £'000 |
|---|---------------|---------------|
| Secured loans | 11,271 | 11,903 |
| Obligations under finance lease (note 22) | - | 276 |
| Deferred income | 11,143 | 11,408 |
| | 22,414 | 23,587 |
| Analysis of secured loans: | | |
| Due within one year (note 17) | 631 | 622 |
| Due between one and two years | 644 | 636 |
| Due between two and five years | 2,028 | 1,990 |
| Due in five years or more | 8,599 | 9,277 |
| Due after more than one year | 11,271 | 11,903 |
| Total secured loans | 11,902 | 12,525 |

Secured loans comprise the following:

| Lender | Year of inception | Original amount £'000 | Initial term years | Term remaining years | Interest rate % | Total outstanding £'000 |
|---|-------------------|--------------------------|-----------------------|-------------------------|--------------------|----------------------------|
| Lloyds TSB (fixed rate) | 2006 | 6,850 | 30 | 14 | 4.980% | 4,759 |
| Lloyds TSB (variable – base rate plus 0.2%) | 2009 | 2,150 | 28 | 15 | 1.450% | 1,195 |
| Royal Bank of Scotland (fixed rate) | 2010 | 10,000 | 30 | 18 | 5.735% | 5,948 |
| | | | | | | 11,902 |

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 (CLV), of which £0.3 million was released during the year, £0.3 million will be released within one year, £0.3 million between one and two years, £0.8 million between two and five years and £9.8 million after five years or more.

19. Provisions for liabilities

| | As at 1 August 2021 | Movements in year | | | As at 31 July 2022 |
|---------------------------------------|---------------------------|-------------------|----------------|-------------------|--------------------------|
| | £'000 | Released £'000 | Added £'000 | Utilised £'000 | £'000 |
| Staff restructuring | 57 | (9) | 273 | (48) | 273 |
| Dilapidations | 1,459 | (191) | - | (51) | 1,217 |
| Strike Assessment Award Scheme (SAAS) | - | - | 2,500 | - | 2,500 |
| Other | 210 | (6) | 817 | (76) | 945 |
| | 1,726 | (206) | 3,590 | (175) | 4,935 |

The provisions movements in year and balances as at 31 July 2022 principally reflect:

Staff restructuring – Costs largely associated with the voluntary severance scheme, compulsory redundancies and claims resulting from restructuring activities.

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.

Strike Assessment Award Scheme (SAAS) – The SAAS relates to a scheme created to compensate students affected by the industrial action that took place during the year.

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

We expect provisions to be utilised within the 2022-23 financial year. The precise timeframe for utilisation within the year is uncertain and will vary by individual item. Where provisions relate to the settlement of legal matters, the timeframe for their utilisation in full could extend beyond 2022-23 financial year.

20. Endowment reserves

| | Restricted Permanent Endowments £'000 | Restricted Expendable Endowments £'000 | 2022 Total £'000 | 2021 Total £'000 |
|--|--|---|------------------------|------------------------|
| Balance at 1 August 2021 | | | | |
| Capital | 14,403 | 450 | 14,853 | 14,496 |
| Accumulated income | 370 | 47 | 417 | 366 |
| | 14,773 | 497 | 15,270 | 14,862 |
| New endowments | - | 73 | 73 | 158 |
| Investment income | 90 | - | 90 | 88 |
| Depreciation | (170) | - | (170) | (170) |
| Other expenditure | (21) | (42) | (63) | (93) |
| (Decrease)/increase in market value of investments | (54) | - | (54) | 425 |
| Movement in 2021-22 | (155) | 31 | (124) | 408 |
| Balance at 31 July 2022 | 14,618 | 528 | 15,146 | 15,270 |
| Represented by: | | | | |
| Capital | 14,180 | 438 | 14,618 | 14,853 |
| Accumulated income | 438 | 90 | 528 | 417 |
| Total | 14,618 | 528 | 15,146 | 15,270 |
| Analysis by type of purpose: | | | | |
| Lectureships | | | 2,904 | 2,161 |
| Scholarships and bursaries | | | 585 | 372 |
| Research support | | | - | 6 |
| Prize funds | | | 243 | 68 |
| General | | | 358 | 1,437 |
| Land and buildings | | | 11,056 | 11,226 |
| | | | 15,146 | 15,270 |
| Analysis by asset: | | | | |
| Non-current asset investments | | | 3,111 | 3,165 |
| Cash and cash equivalents | | | 979 | 879 |
| Freehold land and buildings | | | 11,056 | 11,226 |
| | | | 15,146 | 15,270 |

21. Capital and other commitments

Provision has not been made for the following capital commitments related to property, plant and equipment at 31 July 2022:

| | 2022 £'000 | 2021 £'000 |
|---|---------------|---------------|
| Capital commitments contracted as at 31 July 2022 | 1,082 | 1,860 |
| | 1,082 | 1,860 |

22. Lease obligations

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

| | 31 July 2022 | | | 31 July 2021 | | |
|--|------------------------------|---------------------------|----------------|------------------------------|---------------------------|----------------|
| | Operating Leases £'000 | Finance Lease £'000 | Total £'000 | Operating Leases £'000 | Finance Lease £'000 | Total £'000 |
| Future minimum lease payments | | | | | | |
| Not later than 1 year | 5,568 | – | 5,568 | 5,473 | 1,792 | 7,265 |
| Later than 1 year and not later than 5 years | 5,733 | – | 5,733 | 11,463 | 300 | 11,763 |
| Later than 5 years | – | – | – | 239 | – | 239 |
| Total lease payments | 11,301 | – | 11,301 | 17,175 | 2,092 | 19,267 |

23. Events after the reporting period

There are no events after the reporting period.

24. Pension schemes

| | 2022 LPFA £'000 | 2022 USS £'000 | 2022 Total £'000 | 2021 Total £'000 |
|---|-----------------------|----------------------|------------------------|------------------------|
| Opening balance as at 1 August 2021 | 54,485 | 18,978 | 73,463 | 69,836 |
| Amounts charged to staff costs: | | | | |
| LPFA current service cost | 8,503 | - | 8,503 | 8,281 |
| USS deficit recovery charge/(credit) | - | 27,771 | 27,771 | (1,336) |
| | 8,503 | 27,771 | 36,274 | 6,945 |
| Amounts charged to interest | 852 | 165 | 1,017 | 800 |
| Actuarial (gain) | (48,998) | - | (48,998) | (1,562) |
| Other movements (principally LPFA employer contributions) | (2,358) | - | (2,358) | (2,556) |
| Closing balance as at 31 July 2022 | 12,484 | 46,914 | 59,398 | 73,463 |

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 wholly a 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 charged to the Statement of Comprehensive Income and Expenditure is £27.9 million (in 2021 there was a release of £1.2 million) as shown in notes 6 and 7.

Deficit recovery contributions due within one year are £2.7 million (2021: £2.4 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 2020 valuation was the sixth 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 £66.5 billion and the value of the scheme's technical provisions were £80.6 billion, indicating a shortfall of £14.1 billion and a funding ratio of 83%.

The key financial assumptions used in the 2020 valuation are described below.

| | |
|--|--|
| CPI assumption | Term-dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.1% p.a. to 2030, reducing linearly by 0.1% p.a. to a long-term difference of 0.1% p.a. from 2040 |
| Pension increases (subject to a floor of 0%) Discount rate (forward rates) | CPI assumption plus 0.05% Fixed interest gilt yield curve plus: Pre-retirement: 2.75% p.a. Post retirement: 1.00% p.a. |

The main demographic assumption used are mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2020 actuarial valuation. The mortality assumptions used in these figures are as follows:

| | |
|----------------------------------|--|
| | 2020 Valuation |
| Mortality base table | 101% of S2PMA "light" for males and 95% of S3PFA for females. |
| Future improvements to mortality | CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. 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:

| | 2022 | 2021 |
|-----------------------------------|------|------|
| Males currently aged 65 (years) | 23.9 | 24.6 |
| Females currently aged 65 (years) | 25.5 | 26.1 |
| Males currently aged 45 (years) | 25.9 | 26.6 |
| Females currently aged 45 (years) | 27.3 | 27.9 |

A new deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate will increase to 6.3%. The 2022 deficit recovery liability reflects this plan.

The liability figures have been produced using the following assumptions:

| | 2022 | 2021 |
|---------------------------|-------|-------|
| Discount rate | 3.31% | 0.87% |
| Pensionable salary growth | 4.00% | 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.

A new deficit recovery plan came into effect on 28 March 2022. This recovery plan replaces the previous version, dated 30 September 2021.

The recovery plan follows the actuarial valuation of the Scheme as at 31 March 2020, which revealed a shortfall in the assets when measured against the Scheme's technical provisions. The size of the shortfall as at 31 March 2020 was £14.1 bn. This calculation allows for the benefit structure and covenant support measures implemented as part of, and then subsequent to, the 31 March 2020 actuarial valuation.

Through Universities UK, Goldsmiths has agreed the steps to be taken to ensure that the statutory funding objective is met.

The deficit will be recovered through additional employer's contributions as a percentage of uncapped salaries as below:

- From 1 April 2022 to 31 March 2024: 6.2% of Salary
- From 1 April 2024: 6.3% of Salary

The shortfall is expected to be eliminated in 18 years and one month from 31 March 2020 – that is, by 30 April 2038.

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 2022, the 31 March 2019 funding valuation liabilities have been rolled forward using financial assumptions that comply with FRS102.

Life expectancy assumptions are:

| | 2022 | 2021 |
|------------------------------|------|------|
| Males retiring today | 21.0 | 21.0 |
| Females retiring today | 24.0 | 23.9 |
| Males retiring in 20 years | 22.2 | 22.1 |
| Females retiring in 20 years | 25.6 | 25.5 |

Financial assumptions are:

| | 2022 | 2021 |
|-------------------|-------|-------|
| Discount rate | 3.40% | 1.60% |
| Pension increases | 2.80% | 2.85% |
| Salary increases | 3.80% | 3.85% |

Assets

The return on the Fund (on a bid-to-bid value basis) for the year to 31 July 2022 is estimated to have been 6.79% (2021: 13.41%). The actual return on fund assets over the year may be different.

The estimated asset allocation for Goldsmiths on 31 July 2022 is as follows:

| Asset breakdown | | | | |
|-------------------------|---------------|------------|---------------|------------|
| | 2022 | | 2021 | |
| | £'000 | % | £'000 | % |
| Equities | 38,890 | 56 | 35,494 | 56 |
| Target Return Portfolio | 14,878 | 22 | 13,662 | 22 |
| Infrastructure | 7,210 | 11 | 5,544 | 9 |
| Property | 6,729 | 10 | 5,276 | 8 |
| Cash | 824 | 1 | 3,274 | 5 |
| Total | 68,531 | 100 | 63,250 | 100 |

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

Statement of actuarial gains and losses

| | Present value of defined benefit obligation | | Fair value of scheme assets | | Net liability recognised in the balance sheet | |
|--|---|------------------|-----------------------------|---------------|---|-----------------|
| | 2022 £'000 | 2021 £'000 | 2022 £'000 | 2021 £'000 | 2022 £'000 | 2021 £'000 |
| Opening as at 1 August | (117,735) | (103,914) | 63,250 | 54,245 | (54,485) | (49,669) |
| Current service cost | (8,503) | (8,281) | - | - | (8,503) | (8,281) |
| Interest on assets | - | - | 1,022 | 744 | 1,022 | 744 |
| Interest on liabilities | (1,874) | (1,397) | - | - | (1,874) | (1,397) |
| Return on fund assets in excess of interest | - | - | 3,103 | 6,642 | 3,103 | 6,642 |
| Experience (loss)/gain on defined benefit obligation | (257) | 2,090 | - | - | (257) | 2,090 |
| Change in financial assumptions | 46,152 | (8,483) | - | - | 46,152 | (8,483) |
| Changes in demographic assumptions | - | 1,313 | - | - | - | 1,313 |
| Estimated unfunded benefits paid | 22 | 22 | - | - | 22 | 22 |
| Contributions by members | (901) | (1,000) | 901 | 1,000 | - | - |
| Contributions by employer | - | - | 2,440 | 2,627 | 2,440 | 2,627 |
| Estimated benefits paid | 2,083 | 1,915 | (2,105) | (1,937) | (22) | (22) |
| Administration costs | - | - | (82) | (71) | (82) | (71) |
| Closing defined benefit obligation | (81,013) | (117,735) | 68,529 | 63,250 | (12,484) | (54,485) |

Statement of actuarial gains and losses (continued)

| | 31 July 2022 £'000 | 31 July 2021 £'000 |
|--|-----------------------------------|-----------------------------------|
| Analysis of the amount shown in the balance sheet | | |
| Scheme assets | 68,530 | 63,250 |
| Scheme liabilities | (81,014) | (117,735) |
| Deficit in the scheme – net liability recorded within pension provisions | (12,484) | (54,485) |
| | 2022 £'000 | 2021 £'000 |
| Analysis of the amount charged to staff costs | | |
| Current service costs | 8,503 | 8,281 |
| Total operating charge | 8,503 | 8,281 |
| Analysis of amount charged to interest payable | | |
| Expected return on assets (gain) | (1,022) | (744) |
| Interest on liabilities | 1,874 | 1,397 |
| Net charge to interest and other finance costs | 852 | 653 |
| Total charge to expenditure | 9,355 | 8,934 |
| Analysis of actuarial gain in respect of pension schemes | | |
| Return on fund assets in excess of interest | 3,103 | 6,642 |
| Experience (loss)/gain on liabilities | (257) | 2,090 |
| Change in financial assumptions | 46,152 | (8,483) |
| Changes in demographic assumptions | – | 1,313 |
| Actuarial gain in respect of pension scheme | 48,998 | 1,562 |
| | 2022 £'000 | |
| Projected pension expense for the following year | | |
| Service cost | 3,956 | |
| Administration | 89 | |
| Net interest on liability / (asset) | 384 | |
| Total expense | 4,429 | |
| Breakdown of total expense | | |
| Employer contribution | 2,386 | |
| Net charge | 2,043 | |
| | 4,429 | |

25. Related party transactions

During the year ended 31 July 2022 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 arm's 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 £'000 | Expenditure to related party £'000 | Balance due to related party £'000 | Balance due from related party £'000 |
|--|---------------------------------------|---|--|--|
| Subsidiaries | | | | |
| Goldsmiths Accommodation Services Ltd | 48 | - | - | - |
| Relationships with Council members | | | | |
| Goldsmiths Student Union | - | 1,128 | - | - |
| London Higher | - | 13 | - | - |
| University of London | 625 | 34 | - | - |
| Careers Research and Advisory Centre | - | 2 | - | - |
| The Goldsmiths' Company | 65 | - | - | - |
| IDP Connect Ltd | - | 68 | - | - |
| Advance HE | - | 30 | - | - |
| BPP University | - | 2 | - | - |
| Relation with Senior Management Team and Senior Staff | | | | |
| i2 Media Research Ltd | 9 | 12 | - | 86 |

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 2021-22 Goldsmiths provided the Students' Union with a grant and support totalling £1.1 million (2021: £1.2 million). It also provided postage and telephony services and some small items of equipment at cost. In addition, Goldsmiths provided accommodation as well as use of the IT network and sporting facilities to the Students' Union free of charge, at an estimated cost of £0.6 million (2021: £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 15) is a provision for bad debt of £71,720 (2021: £125,509) of the total debt of £86,064 (2021: £150,610) due from i2 Media Research Limited, which represents the total outstanding on 31 July 2022 excluding VAT, and 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 on 31 July 2022. Goldsmiths also holds a 20% 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 2021-22 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.

26. Department for Education Bursary Fund

| | 2022 £'000 | 2021 £'000 |
|--|---------------|---------------|
| Department for Education Teacher Training Bursaries | | |
| Balance at 1 August 2021 | 60 | 17 |
| Grant received from Department for Education | 877 | 3,622 |
| Disbursed to trainees | (971) | (3,579) |
| Balance at 31 July 2022 | (34) | 60 |

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.

27. Net debt reconciliation

| | 2021 £'000 | Cashflows £'000 | 2022 £'000 |
|---------------------------------|---------------|--------------------|---------------|
| Analysis of net debt: | | | |
| Cash and cash equivalents | 20,378 | 16,423 | 36,801 |
| Obligations under finance lease | (1,897) | 1,621 | (276) |
| Bank loans | (12,525) | 623 | (11,902) |
| Net cash | 5,956 | 18,667 | 24,623 |

28. US Department of Education Financial Responsibility Supplemental Schedule

In satisfaction of its obligations to facilitate students' access to US federal financial aid, the College is required, by the US Department of Education, to present the following Supplemental Schedule in a prescribed format.

The schedules set out below show how each amount disclosed has been extracted from the financial statements. The accounting policies used in determining the amounts disclosed are not intended to and do not comply with the requirements of accounting principles generally accepted in the United States of America.

| Reference | Expendable Net Assets | 2021-22 | | 2020-21 | |
|-------------------------------|---|---------|----------------|---------|----------|
| | | £'000 | £'000 | £'000 | £'000 |
| Balance sheet | Statement of Financial Position – Net assets without donor restrictions | | 43,520 | | 23,261 |
| Balance sheet | Statement of Financial Position – Net assets with donor restrictions | | 15,146 | | 15,270 |
| Note 25 | Statement of Financial Position – Related party receivable and Related party note disclosure | | 14 | 39 | |
| Note 25 | Statement of Financial Position – Related party receivable and Related party note disclosure | | 14 | | 39 |
| Note 12 | Statement of Financial Position – Property, Plant and equipment, net | | 122,314 | 129,881 | |
| Note 12 | Note of the Financial Statements – Statement of Financial Position – Property, plant and equipment – pre-implementation | | 111,618 | | 121,651 |
| Note 12 | Note of the Financial Statements – Statement of Financial Position – Property, plant and equipment – post-implementation with outstanding debt for original purchase | | – | | – |
| Note 12 | Note of the Financial Statements – Statement of Financial Position – Property, plant and equipment – post-implementation without outstanding debt for original purchase | | 8,252 | | 7,532 |
| Note 12 | Note of the Financial Statements – Statement of Financial Position – Construction in progress | | 2,444 | | 698 |
| Note 11 | Statement of Financial Position – Goodwill | | 1,017 | | 1,663 |

| Reference | Expendable Net Assets | 2021-22 | | 2020-21 | |
|--|--|---------------|---------------|---------|--------|
| | | £'000 | £'000 | £'000 | £'000 |
| Balance sheet | Statement of Financial Position – Post-employment and pension liabilities | | 59,398 | | 73,463 |
| Note 17 , 18 | Statement of Financial Position – Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process | 11,902 | | 12,525 | |
| Note 17 , 18 | Statement of Financial Position – Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process | | 11,902 | | 12,525 |
| Note 17 , 18 | Statement of Financial Position – Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process | | – | | – |
| Note 20 | Statement of Financial Position – Perpetual Funds | | 15,146 | | 15,270 |

| | | | 2021-22 | | 2020-21 | |
|---|---|---|---------|-----------------|---------|---------|
| | | | £'000 | £'000 | £'000 | £'000 |
| Total Expenses and Losses | | | | | | |
| Statement of Comprehensive Income and Expenditure | Statement of Activities – Total Operating Expenses (Total from Statement of Activities prior to adjustments) | Total expenses without donor restrictions – taken directly from Statement of Activities | | 170,081 | | 139,613 |
| Statement of Comprehensive Income and Expenditure | Statement of Activities – Non-Operating (Investment return appropriated for spending), Investments, net of annual spending gain (loss), Other components of net periodic pension costs, Pension-related changes other than net periodic pension, changes other than net periodic pension, Change in value of split-interest agreements and Other gains (loss) – (Total from Statement of Activities prior to adjustments) | Non-Operating and Net Investment (loss) | | (48,957) | | (2,075) |
| | Statement of Activities – (Investment return appropriated for spending) and Investments, net of annual spending, gain (loss) | Net investment losses | | 41 | | (513) |

| | | | 2021-22 | | 2020-21 | |
|-------------------------------|--|--|-----------|---------------|---------|--------|
| | | | £'000 | £'000 | £'000 | £'000 |
| Reference | Modified Net Assets | | | | | |
| Balance sheet | Statement of Financial Position – Net assets without donor restrictions | Net assets without donor restrictions | | 43,520 | | 23,261 |
| Balance sheet | Statement of Financial Position – total Net assets with donor restrictions | Net assets with donor restrictions | | 15,146 | | 15,270 |
| Note 11 | Statement of Financial Position – Goodwill | Intangible assets | | 1,017 | | 1,663 |
| Note 25 | Statement of Financial Position – Related party receivable and Related party note disclosure | Secured and Unsecured related party receivable | 14 | | 39 | |
| Note 25 | Statement of Financial Position – Related party receivable and Related party note disclosure | Unsecured related party receivable | | 14 | | 39 |

| Reference | Modified Assets | | 2021-22 | | 2020-21 | |
|-------------------------------|--|--|-----------|----------------|---------|---------|
| | | | £'000 | £'000 | £'000 | £'000 |
| Balance sheet | Statement of Financial Position – Total Assets | Total Assets | | 174,358 | | 164,339 |
| Note 11 | Statement of Financial Position – Goodwill | Intangible assets | | 1,017 | | 1,663 |
| Note 25 | Statement of Financial Position – Related party receivable and Related party note disclosure | Secured and Unsecured related party receivable | 14 | | 39 | |
| Note 25 | Statement of Financial Position – Related party receivable and Related party note disclosure | Unsecured related party receivable | | 14 | | 39 |

| Reference | Net Income Ratio | | 2021-22 | | 2020-21 | |
|---|--|---|---------|----------------|---------|----------|
| | | | £000 | £000 | £000 | £000 |
| Statement of Comprehensive Income and Expenditure | Statement of Activities – Change in Net Assets Without Donor Restrictions | Change in Net Assets Without Donor Restrictions | | 20,259 | | (11,587) |
| Statement of Comprehensive Income and Expenditure | Statement of Activities – (Net assets released from restriction), Total Operating Revenue and Other Additions and Sale of Fixed Assets, gains (losses) | Total Revenue and Gains | | 141,259 | | 126,359 |







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