

**ANNUAL REPORTS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JULY 2018**

CONTENTS

Warden's foreword	1
Council and committee membership	2
Strategic report	4
Public benefit statement	32
Corporate Governance and Internal Control	34
Independent auditor's report	38
Accounting policies	40
Statement of Comprehensive Income and Expenditure	46
Statement of changes in reserves	47
Balance sheet	48
Cash flow statement	49
Notes to the Financial Statements	50-72

WARDEN'S FOREWORD

To say that higher education has recently faced a period of unprecedented change has become a cliché – but that doesn't make it any less true. The following pages chart our response to this extraordinary period.

In the last academic year we have seen the launch of a government review into the funding of post-18 education, alongside continued uncertainty about the UK's future relationship with the EU and its related institutions.

The outcomes of both of these political questions will have a significant impact on Goldsmiths, alongside every other university in the country, but I have every confidence that our new five-year strategy sets a clear sense of the direction and pace we must maintain to continue to thrive.

These priorities were developed after extensive consultation with staff and students and as the following pages attest, we have already done much over the year to cement our reputation and build for the future.

The launch of a BSc in Computer Science delivered online in partnership with the University of London and Coursera generated huge interest in the spring, while the launch of the world's first MA in Queer History attracted a strong first cohort of postgraduate students from around the world.

At the time of writing we are eagerly awaiting the announcement of this year's Turner Prize winner – with Forensic Architecture, the independent research agency based within the Department of Visual Cultures, and alumna Charlotte Prodger (BA Fine Art, 2001) both shortlisted.

These nominees engage with real-world questions before suggesting solutions and answers – a trait which can be found in the work of

so many practitioners across the College as they demonstrate the value and impact of their research.

From designing DIY wildlife cameras to help the public track our changing natural ecology, to filming material cited in leading court cases to help child refugees in Calais, Goldsmiths' researchers are applying their minds to help effect positive change in society.

It has also been a year where, after a huge amount of planning and considerable investment, we have begun to see the fruits of our ambition to build a public cultural hub in south east London which is open to all.

At the end of the academic year, Goldsmiths Centre for Contemporary Art was preparing to open its doors as a free public gallery showing a range of world-class exhibitions, just as the finishing touches were being made to the refurbished George Wood Theatre space. These new cultural spaces open up a wealth of opportunities for outreach to our local community and public engagement with our core academic endeavour.

This will be the last time I write such a foreword, as I prepare to retire in the first half of 2019. I avoid the term 'leaving Goldsmiths', as I am not sure that anyone who has had the privilege to be a member of this unique institution would ever claim to be able to leave it entirely.

I therefore take this early opportunity to wish the College the very best for the future – safe in the knowledge that the verve and passion of our entire learning community will ensure the progress set out in this report is just a taste of what will follow.

Patrick Loughrey
Warden

COUNCIL AND COMMITTEE MEMBERSHIP

Council

Ms Dinah Caine CBE
(Chair from 1 September 2018)

Baroness Morris of Yardley
(Chair to 31 August 2018)

Mr Nick Barron

Mr Ian Borman

Ms Althea Efunshile CBE

Ms Helen MacNamara

Ms Jackie Morgan
(to 31 August 2018)

Ms Lynn Percy

Mr Aaron Porter
(from 1 September 2018)

Dr Barry Quirk
(to 31 August 2018)

Ms Pam Raynor
(from 1 September 2018)

Sir David Reddaway KCMG MBE

Ms Sue Reece

Ms Carol Rue

Ms Vanessa Sharp

Mr Tom Wilson

Dr Theodora Zemek

Dr Kate Devlin
(to 31 August 2018)

Dr Marl'ene Edwin
(to 31 August 2018)

Mr Joseph Tema
(from 1 September 2018)

Mr Kierin Offlands
(from 1 September 2018)

Ms Eva Crossan-Jory
(to 31 August 2018)

Mr Joseph Williams
(to 31 August 2018)

Mr Patrick Loughrey

Professor David Oswell

Professor Mark d'Inverno

Professor Elisabeth Hill

Mr Gerald Lidstone
(to 31 August 2018)

Professor Andy Bremner
(to 31 August 2018)

Mr Conrad Heyns

Mr Ben Fowler
(from 1 September 2018)

Dr Rodger Kibble
(from 1 September 2018)

Dr John Price
(from 1 September 2018)

Audit and Risk Committee

Ms Sue Reece
(Chair)

Dr Barry Quirk
(to 31 August 2018)

Ms Jackie Morgan
(to 31 August 2018)

Ms Althea Efunshile CBE

Mr Steve Stanbury

Mr Chris Miller
(to 31 August 2018)

Mr Aaron Porter

Ms Pam Raynor
(from 1 September 2018)

Mr Ravi Mahendra
(from 1 September 2018)

Key Management Personnel

Mr Patrick Loughrey *(Warden)*

Professor Elisabeth Hill
(Deputy Warden)

Professor Mark d'Inverno
(Pro-Warden)

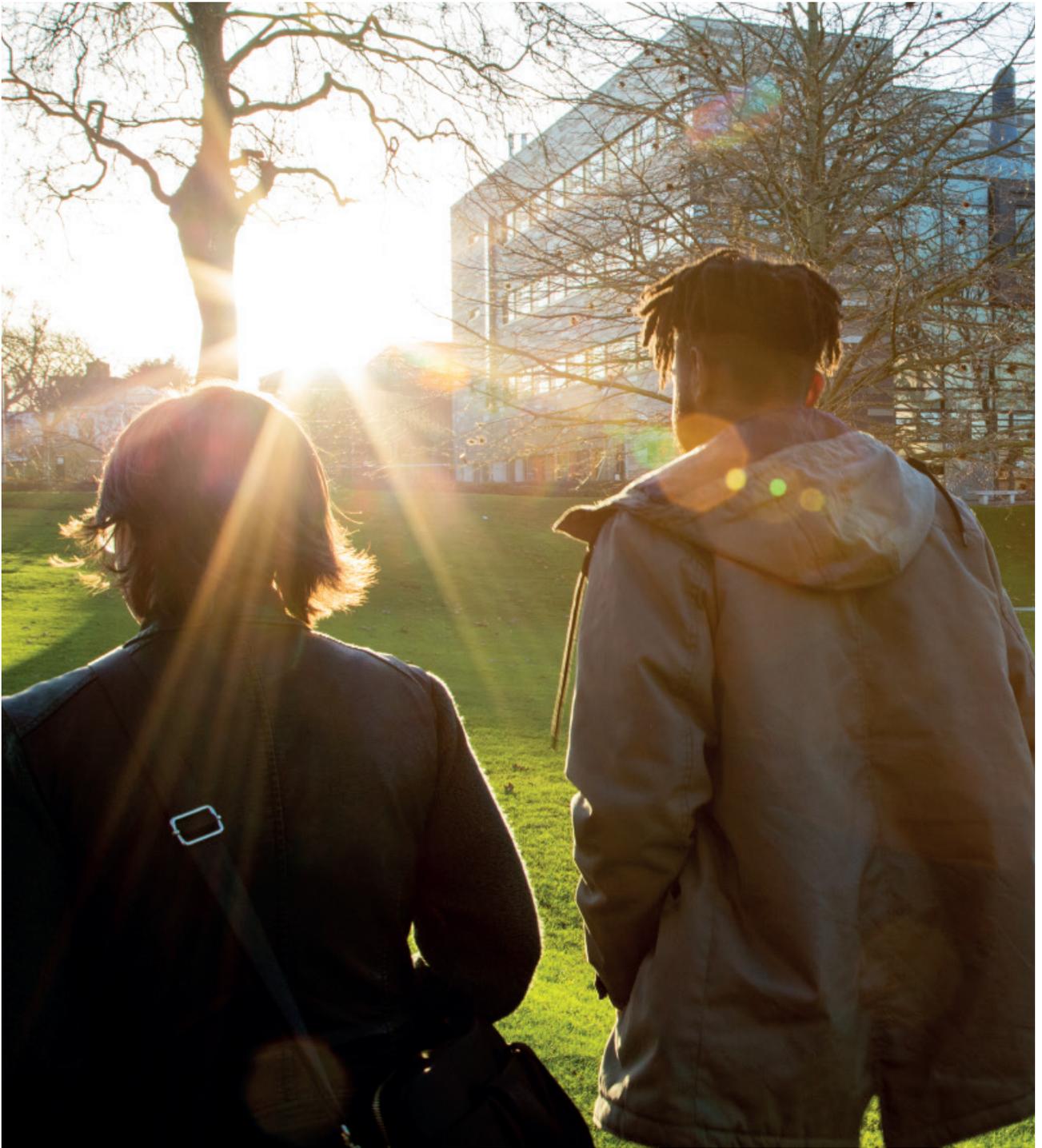
Professor David Oswell
(Pro-Warden)

Ms Helen Watson
(Registrar and Secretary)

Mr Ian Pleace
(Director of Finance)

Mr Andy Lamb
(Director of Human Resources)

Ms Lynne Tucker
(Chief Information Officer)



A NOTE ON DEFINITIONS

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

Council	Goldsmiths' overall governing body.
DLHE	Destinations of Leavers from Higher Education, a survey which collects information on what all leavers from Higher Education programmes are doing at a certain point in time after qualifying from those programmes.
FRS 102	Financial Reporting Standard 102 is the UK accounting standard that Goldsmiths is obliged to follow, along with the Higher Education SORP (see below).
HEFCE	The Higher Education Funding Council for England. In the past, HEFCE was both our major source of funding as well as our regulator. Following the introduction of £9,000 tuition fees for Home and EU undergraduate students, HEFCE's role became more focused on regulation, although some forms of HEFCE block grant funding remained. It has since been replaced, with responsibilities falling to the OfS and UKRI (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 new regulator.
QR funding	The block grant funding for research activity, used to sustain a research base at Goldsmiths alongside grant income won through bids/applications to Research Councils and other funders.
REF	Research Excellence Framework, an exercise conducted in 2014 to assess the quality and impact of research activity across the Higher Education sector. The results of the REF were used to inform the allocation of QR funding (see above). The next REF exercise will be concluded in 2021.
SMT	The Senior Management Team, which provides overall operational leadership to Goldsmiths.
SORP	Statement of Recommended Practice, which gives guidance on how to apply FRS 102 to the Higher Education sector.
STEM	A collective term used to describe Science, Technology, Engineering and Maths. Recognising the role that creativity plays in scientific advance, we are committed to the idea of STEAM subjects, where the 'A' stands for Arts.
TEF	Teaching Excellence Framework, an initiative that aims to recognise and reward excellent learning and teaching, and help inform student choice.
UKRI	UK Research and Innovation, a new body that brings together the UK's existing research councils and takes on HEFCE's responsibilities in respect of research.

INTRODUCTION

The Strategic Report covers pages 5 to 30 inclusive.

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

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

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

THE GOLDSMITHS JOURNEY

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

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 the communities of south east London. 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. Goldsmiths College was born. The Goldsmiths Company provided ongoing financial support to the new College in its early years and in 2018 it remains a valued and supportive friend to the institution, with continuing representation on our governing body.

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

All of these activities are recognisable in the modern Goldsmiths College. Teacher training remains the core activity of our present day Department of Educational Studies. The School of Art survives as our world-leading Department of Art. Together, they have been joined by 16 other departments as Goldsmiths' degree-level teaching and research activity have grown significantly over the past 50 years.

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

Academic excellence and imaginative course content combine to make a place where creative minds can thrive and ideas are allowed to grow. Today, our degree programmes and research activities span the arts, humanities, social sciences, cultural studies, computing, business 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 changed, and continue to change, the world. Former students include Antony Gormley, Julian Opie, Malorie Blackman, Katy B, Tessa Jowell, Julian Clary, Mary Quant, Margaret Howell, Linton Kwesi Johnson, Steve McQueen, Gillian Wearing, Damien Hirst, Bridget Riley, the late Malcolm McLaren, and members of *Blur*. The success of our art alumni is well documented – seven winners of the Turner Prize have studied here – but we make equally strong contributions to contemporary music, literature and the other fields for which we are known.

GOLDSMITHS IN 2018

Building on this rich legacy is at the heart of our refreshed 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.

Goldsmiths has recently refreshed and updated its strategy for 2018-2023, consulting across the College community and beyond. While our mission and values remain unchanged, the revised strategy seeks to respond to the changing environment and reshape our priorities for the next five years.

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 refreshed strategy has identified four overarching objectives which are underpinned by seven strategic themes.

Overarching Strategic Objectives

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

Strategic Themes

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

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

1. SHAPING OUR DISTINCTIVE ACADEMIC PROFILE

We have continued to develop distinctive new programmes, both on and off-campus, which are aligned to our research expertise and clear market demand. Consideration is given to the ways in which a programme relates to disciplinary and inter-disciplinary developments and presents contemporary and topical issues in relation to real-world learning and employability options. Subject areas and titles are encouraged to reflect these ambitions and balance distinctiveness with visibility and global relevance.

Proposals are supported to ensure they reflect our commitment to the objectives of our Learning, Teaching and Assessment Strategy (see next section) and feedback from students on demand. Finally, proposers are encouraged to consider how theory, research and practice are built into developments and where professional accreditation can be offered.

Collaboration with University of London WorldWide has facilitated the development of two new online distance learning programmes which will offer students all over the world the chance to experience our distinctive curriculum and pedagogic practice.

Innovation in new academic programmes

New programmes launched in September 2017

BA Curating
 BA Drama: Comedy
 BA Drama: Performance, Politics, Society
 BA History and Journalism
 BSc Management with Economics
 BSc Management with Marketing
 BSc Marketing
 MA Artists' Film
 MA Design (Expanded Practice)
 MA Events and Experience Management
 MA Luxury Brand Management
 MA Queer History
 MSc/PGDip Cognitive Behavioural Therapy

New programmes launched in September 2018

MSc Psychology of the Arts, Neuroaesthetics & Creativity
 MA in Anthropology and Museum Practice
 MA Migration and Mobility
 BA Musical Theatre
 PG Diploma in Step up to Social Work
 MSc Computational Cognitive Neuroscience
 MSc Marketing and Technology
 PG Certificate in Coaching

New programmes approved for launch in September 2019

LLB Law
 BSc Computer Science Distance Learning with Coursera and University of London Worldwide
 BA Digital Anthropology
 BA Economics with Marketing
 BSc Information systems
 BMus/BSc Electronic Music, Computing and Technology
 MSc Data Science Distance Learning with University of London Worldwide
 MA Black British History
 MA/MSc Virtual Reality
 MA Global Political Economy
 MSc User Experience Engineering

Our innovative online learning collaboration with University of London Worldwide and Coursera

In March 2018, we announced a pioneering approach to computer science learning – it will open up new learning opportunities to scholars around the globe following our collaboration with University of London WorldWide and leading online learning platform Coursera. The BSc (Hons) Computer Science is due to go live in September 2019 and will be the first of its kind.

The programme has been designed to equip students to access careers in emerging technologies, providing opportunities for students to study machine learning, data science, virtual reality, game development and web programming to meet the needs of career changers in industry as well as those taking their first steps into the innovative computer science field.

Students will benefit from Goldsmiths' world-renowned expertise in computer science and education technology, which fosters an interactive and creative learning experience in subject areas which include Artificial Intelligence and Virtual Reality.

This approach will allow students to learn the principles of computer science in an applied project, giving students the freedom to choose engaging project options, such as game development or graphics.

These aims drive the prioritisation of pedagogical developments and are monitored on an annual basis by the Learning Teaching Enhancement Committee, reporting to the College's Academic Board.

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

In common with many other London institutions, Goldsmiths has struggled to maintain student satisfaction levels. In 2018, overall satisfaction dropped a further two percentage points compared to 2017. This is the lowest result for the College since 2010. A key strategic aim, therefore, is to return to the higher overall levels of satisfaction seen in 2012.

	2013-14	2014-15	2015-16	2016-17	2017-18
NSS institution score	87%	83%	83%	80%	78%

2. ENHANCING OUR TEACHING AND LEARNING

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

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

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

Overall NSS performance masks a broad range of reported experience at individual academic department level, with some high performing departments alongside those facing greater challenges. The College is aiming to refine the approach to NSS action planning at departmental level. A review of the manner in which the student voice is captured and fed back to the student population is also under way.

2018 saw the creation of a formal Student Engagement team within the Student Experience Directorate, with a brief to work across the College. This team brings into one unit the College's functions around student surveys, wider student voice work, partnership initiatives with the Students' Union and the College's central student communications function. The team has been developed to deliver a range of enhancement and student retention-focused projects and to develop a better and deeper understanding of our students. Over the course of the 2017-18 academic year the team delivered events including: Be Well, Do Well – a student wellbeing and success initiative; Welcome – a major project to manage the welcome and induction of new students; and a major communications campaign to support promotion of the NSS and associated student surveys.

Goldsmiths seeks to ensure that growth in student numbers is matched by appropriate academic teaching resource. This is reflected in student: staff ratios which have remained broadly constant since 2014, despite considerable growth in student numbers:

	2013-14	2014-15	2015-16	2016-17	2017-18
Institution SSR	14.8	13.8	14.1	14.7	15.2

A major strategic focus for 2018-19 is the improvement of student retention rates, ensuring that more students successfully complete their studies at Goldsmiths. A related theme is the need to reduce the attainment gap for Black and Minority Ethnic students and we are in the process of recruiting an Academic Lead to oversee and coordinate this important work.

	Year of entry		
	2013-14	2014-15	2015-16
Non-continuation after first year of entry: UK-domiciled first degree entrants	9.6%	10.0%	12.6%

3. MAKING A DIFFERENCE THROUGH OUR RESEARCH AND KNOWLEDGE EXCHANGE

Research activity

Goldsmiths' research spans the arts, humanities, social sciences and computing. The 2014 Research Excellence Framework (REF) rated almost three-quarters of research at Goldsmiths as world leading (4*) or internationally excellent (3*). Much of our research is interdisciplinary – groups of researchers working to understand a complex problem, drawing on their distinctive disciplines to arrive at a single solution. Our research ranges across traditional approaches to experimental and inventive methods. We address major challenges brought by the 'fourth industrial revolution' of artificial intelligence, big data, and new bio-environments as well as longstanding problems of social and economic inequality and justice on national and global scales.

Our research is articulated and foregrounded through four research themes on:

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

The themes help to aggregate and consolidate our research excellence as well as align with research funding agendas. We are committed to taking advantage of funding initiatives around the *Industrial Strategy Challenge Fund* (ISCF) and the *Global Challenge Research Fund* (GCRF).

Research funding successes for 2017-18 are detailed on pages 10 and 11.

	2015-16 £'000	2016-17 £'000	2017-18 £'000
Research grants and contracts [A]	5,227	4,603	4,089
Number of academics on teaching and research contracts (FTE basis) [B]	380	385	390.6
Research income per relevant academic [A]/[B]	£13,760	£11,960	£10,470

Industrial Strategy Investment

Goldsmiths has benefited from the increased nationwide funding of £100 million to the Higher Education Innovation Fund (HEIF) grant from 2017 through to 2021 as set out in the government's white paper *Industrial Strategy: building a better Britain fit for the future*.

HEIF supports knowledge exchange (KE) and university-business collaboration and we have utilised our initial recurrent uplift of £160,000 in 2017-18 to expand specialist KE support for academic staff and external partners in the College's Enterprise team through the creation of three new posts. Additionally, the additional funds have enabled us to adopt good practice from other Higher Education Institutions (HEIs) in the commercialisation of Intellectual Property (IP).

IP Gold

Under the auspices of the *Connecting Capability* element of the Industrial Strategy HEIF funds, we have secured a three-year licence to implement University College London Business's (UCLB) online IP non-exclusive licensing platform.

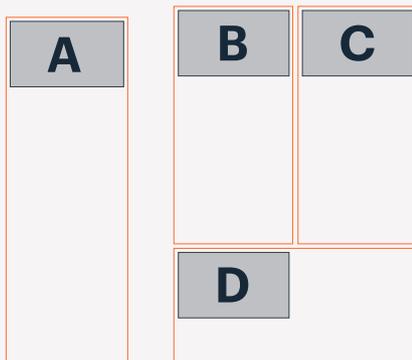
IP Gold is expected to launch during the winter of 2018-19 and will provide an automated outlet to offer commercial and non-commercial licensing of our research outputs together with the provision of data analytics to evidence research impact. Early examples of content that will be featured includes eye-witness statement interview tools from the Department of Psychology and a TaskCam electronic component from the Department of Design developed from their Arts and

Humanities Research Council (AHRC) grant with BBC Naturewatch which supports simple digital cameras for user focused research purposes.

Short Courses and Executive Training

We have continued to grow our short courses programmes with over 100 presentations of new evening classes that diversify our student body and act as a gateway to engaging the local community. In parallel we have begun to develop our Executive Training portfolio through piloting courses for SME business communities via our partnership in the European Regional Development Fund (ERDF), DeK Business Growth Programme with Lewisham Council and London South Bank University (LSBU). Courses offered include UX Design, Crowdfunding for Entrepreneurs and Social Media. Additionally, we have delivered bespoke training in areas such as religious literacy for a global advertising agency and are developing 'Lunch and Learn' hour tasters for clients. With the HEIF-funded investment in new staff we expect to accelerate this offer through 2019.

Images



A Visualisation of evidence presented by Forensic Architecture in connection with the investigation into the murder of Pavlos Fyssas

B The first national LGBTQ Writers Workshop to be held in the Philippines under the *GlobalGRACE* project

C Box files with casework at the archives of the Vicaria de la solidaridad in Santiago, Chile (image by Oriana Bernasconi)

D *YOUR WORLD* data analysis meeting

Research funding successes



Forensic Architecture: Murder of Pavlos Fyssas

Shortly after midnight on 18 September 2013, Pavlos Fyssas, a young Greek anti-fascist rapper, was murdered in his home neighbourhood of Keratsini, Athens. Both the killer and others who participated in the attack were members of the neo-Nazi organisation Golden Dawn.

Golden Dawn have committed acts of violence against migrants and political opponents ever since their formation in the 1980s, yet most of their crimes have gone unpunished as a result of the silent support among the ranks of the Greek police, aligned to their nationalist cause. Following the murder of Fyssas, a Greek citizen, the national government was finally forced to make a series of arrests. Sixty-nine members of Golden Dawn, including all of their fifteen parliamentarians, were brought to trial. Charges in the trial, relating to events as far back as 2008, allege that while holding seats in the national parliament, Golden Dawn has operated as a criminal organisation. Even as the ongoing trial threatens the existence of Golden Dawn as a political party, the Greek courts remain reluctant to investigate the role of the police in covering up these crimes.

Forensic Architecture, a research agency based at Goldsmiths, was commissioned by the Fyssas family and their legal representatives to reconstruct the events of the night from the audio and video material made available to the court. The resulting video investigation and accompanying report, presented to the Athens courtroom on 10 and 11 September 2018, brings together CCTV footage, recordings of communications between police and emergency services, and witness testimony. We established a precise timeline and reconstruction of the events that led to the murder. The investigation established that members of Golden Dawn, including senior officials, acted in a co-ordinated manner in relation to the murder, and that members of Greece's elite special forces police, known as DIAS, were present at the scene before, during and after the murder, and failed to intervene.



Global Gender and Cultures of Equality (*GlobalGRACE*)

Led by a team of researchers at Goldsmiths, *GlobalGRACE* brings together academic and non-academic partners from Bangladesh, Brazil, Mexico, the Philippines, South Africa and the UK, as well as consultants from Europe and the USA, to address two key UN global sustainable development goals: Gender Equality (SDG5) and Health and Wellbeing (SDG3). *GlobalGRACE* ranges from investigations of how theatre reduces violence against working women in South Africa to explorations of street art and dance in producing alternative models of caring masculinity in Brazil.

Emerging impacts from the *GlobalGRACE* project include a national LGBTQ Writers Workshop at the University of the Philippines in July 2018, the first workshop of its kind in that country. Ten young LGBTQ poets (who were selected as fellows from an open national competition) writing in English, Filipino and regional languages benefited from the mentorship of a panel of internationally recognised poets and scholars. Their work will be disseminated among creative writing teachers in schools across the country. Other highlights include the *GlobalGRACE* exhibition 'Exchanging Cultures of Equality', at Goldsmiths, 21 June-1 July 2018, which brought together collaborating partners and marked the start of an iterative process of exhibition making across the life of the project.



Documentality and Display: Archiving and Curating the Violent Past in Contemporary Argentina, Chile and Colombia

In her British Academy Sustainable Development funded research, **Vikki Bell** asks: How should those affected by State violence and armed conflict record and collect their experiences to lend them effectively to future justice processes and future use? How are questions of inclusiveness, categorisation and material delimitations dealt with by established and emerging archives and documentation centres? How are these centres being used? This research draws upon the notion of 'documentality', by which the social order is understood to be founded upon the ways in which human lives are inscribed materially and imaginatively, to study key centres of post-conflict documentation in Argentina, Chile and Colombia. It investigates how their modes of recording attempt to lend order to the messiness of violence, and how archival documents are put to work within legal, cultural and aesthetic processes that place them within other forums, eg courts, art and community spaces, with their distinct modes of display.



Insecurity and uncertainty: marginalised youth living rights in fragile and conflict-affected situations in Nepal and Ethiopia (*YOUR WORLD* Research)

In her ESRC/DFID-funded research, **Vicky Johnson** seeks to generate new insights to understand the complicated lives of marginalised and street connected youth in both urban and rural locations.

Working in collaboration with charitable organisations and academic partners, *YOUR WORLD* aims to implement legislative changes facilitated by National Reference Groups in Ethiopia and Nepal such as CHADET and ActionAid Nepal. The project team have led and participated in monthly public seminars, an international conference held in 2017 in Addis Ababa, Ethiopia, and facilitated training workshops with participants from Ministry of Education, Ministry of Women and Children Affairs, Ministry of Justice, Ministry of Health and the Ministry of Youth and Sports. Based on the analysis and recommendations from *YOUR WORLD*, ActionAid Nepal, local political leaders in the district of Kapilvastu (KPV) and the newly elected local government in SND are keen to develop programmes and strategies focusing on marginalised young people.

4. STRENGTHENING OUR INTERNATIONAL RELATIONSHIPS AND PROFILE

Goldsmiths is a progressive, open, and diverse institution with students and staff from over 140 countries. We are proudly anchored in our south east London community but global in our ethos, reach and profile. We are committed to fostering a vibrant, inclusive, multi-cultural and mutually respectful community of students, staff and alumni; a challenge we consider all the more important in the context of the UK's departure from the EU.

We have successfully increased awareness of the College and our distinctive portfolio of taught programmes and have this year welcomed our highest ever number of new international students to Goldsmiths. To support these students, we have invested significantly in international welcome, orientation and language support and are proud to have successfully gained accreditation from The British Association of Lecturers in English for Academic Purposes for our pre-sessional English provision this year.

	2014-15	2015-16	2016-17	2017-18
Proportion of non-EU international students*	17.5%	17.6%	16.5%	17.4%

*as percentage of total student FTE

We are committed to utilising our interdisciplinary strengths across the creative arts, humanities, and social and computing sciences to address global challenges and issues by working with others. We are committed to international collaboration and to building strong global networks and partnerships to facilitate intellectual inquiry.

We have increased support for students going abroad both as part of the Erasmus+ programme and with the generous support of Santander Universities. This year we have sent more students than ever overseas, and to more places, with students now going to over 20 countries worldwide. We have diversified the international opportunities, offering funding for shorter placements and signing our first student exchange agreement with a prestigious US institution. We also sent students to the Venice Biennale as part of the British Council Venice Fellowships programme. To demonstrate our commitment, we have signed up to the UK-wide Go International: Stand Out campaign, pledging to support more students from the UK to go abroad as part of their degree and contributing to the national target. The future is looking bright with successful bids for Erasmus funding for 2018-20 winning us over 500,000 euros of funding to support student and staff to go abroad and confirmation of further funding from our Santander Universities partner.

Our truly international reputation was recognised in the 2019 QS World University Rankings where in an increasingly competitive international sector we improved our position. We are currently ranked in the top 50 institutions in the world for Art and Design, Performing Arts, Anthropology, Sociology and Communications & Media.

Goldsmiths' relationship with the University of London Worldwide (which delivers 100 flexible and distance learning programmes to over 50,000 students globally) continues to grow from strength to strength. In March 2018 we announced a partnership with UoLW and Coursera – the world's largest and leading provider of online education – to deliver a suite of BSc (Hons) Computer Science programmes, building on our world class reputation for computer science pedagogy, research into social learning and the success of our 'Massive Open Online Courses' (MOOCs). These degree programmes will help transform the way in which quality higher education is delivered and open up opportunities to a much wider and more diverse community of learners. In addition to this exciting initiative, we are looking to invest in our existing portfolio with UoLW and will be launching a suite of distance learning MSc programmes in 2019/20.

Building on the success of our domestic short courses we are also looking to develop our portfolio of International Summer Schools. To this end we are undertaking a review of the existing offer to identify where we can best invest to provide opportunities for our staff and potential future students, and strengthen our international relationships. As part of this work we are collaborating with the University of London in Paris to set up a series of workshops and masterclasses that will take place in Paris during 2019.

The newly formed Academic Services unit – International Development and Academic Partnerships – has brought together Collaborative Provision and International Development to provide strategic and operational support for our institutional partnerships. The development of this unit has enabled us to become more agile and responsive to shifting trends in higher and transnational education, and to capitalise on opportunities to grow and strengthen our portfolio of academic partnerships. Through this unit we are seeking out partners across the globe who share our values and ambitions, and developing collaborative activity which will drive innovations in programme delivery and so increase Goldsmiths' international profile.

Goldsmiths' largest collaborative arrangement is a validation partnership with LASALLE College of the Arts, Singapore. Established in 2012, this maturing partnership has grown from strength to strength, with over 1,400 students now studying on Goldsmiths' validated programmes across LASALLE's three faculties of Design; Fine Art, Media and Creative Industries; and Performing Arts. Over half of Goldsmiths' departments are involved in the partnership, assuring the quality and standards of our awards and supporting the partnership through involvement in collaborative learning, teaching and research activities across both institutions. In March 2018 we launched the Goldsmith-LASALLE Partnership Innovation Fund, designed to support innovative collaboration and cross-partnership working between staff and students of our institutions. Four exciting and diverse projects have been supported during the fund's inaugural year.

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

Goldsmiths is a civic university committed to active engagement with our local communities within south and east London, as well as London as a whole, in a spirit of openness, collaboration and connection.

We have a long history of engagement within our local communities and are proud of our south east London roots. We recognise the benefits of collaborating and working in partnership with other institutions of shared ambitions and values and this drives our continued commitment to develop and nurture partnerships within our local communities, across the UK and globally. We have developed innovative approaches to community engagement and development through our world-class research centres and our academic programmes which seek to combine theoretical investigation with an understanding of impact, implementation and activism within communities.

The new Goldsmiths Centre for Contemporary Art (CCA) was completed at the end of the year, to be opened with an exhibition of work by Mika Rotenberg in September 2018. Our fundraising campaign, which included an auction of artworks donated by alumni, raised nearly £4 million to put a landmark space at the heart of the campus, giving new life to a Grade II-listed, derelict Victorian water tank. Goldsmiths CCA will host a public programme of high-profile exhibitions, residencies and projects by leading artists and curators. It will also host a vibrant education programme for local schools and other groups, led by an Education Curator funded by the Goldsmiths Livery Company.

Goldsmiths CCA, along with the Curzon Goldsmiths Cinema and the recent refurbishment of the George Wood Theatre, are part of our efforts to develop Goldsmiths as a welcoming, creative and cultural hub at the heart of the community in Lewisham. The College's new publication, *The Forge*, is distributed throughout the local area, and promotes events in the College and highlights opportunities to the local community to hire space or join our Library Community Membership scheme.

We have seen strong growth in our catalogue of short courses offered, which highlights our commitment to provide new opportunities to engage more effectively with our local community – to support engagement we offer an enrolment discount to Lewisham residents. Goldsmiths has quickly established itself as an important provider of flexible, local education in south east London and one of our strategic priorities is to grow our Executive Education.

A successful joint application with Lewisham Council to the Local Growth Association/HEFCE leading places scheme has led to the establishment of the Lewisham Leaders Group in collaboration with Lewisham Hospital, Lewisham Homes and Phoenix Housing Association, where there is a collective focus on how we can work together as anchor organisations to create a stronger, more inclusive Lewisham economy.

This has strengthened our external relationships and Goldsmiths students have undertaken placements in these organisations as well as contributed many thousands of hours to voluntary and community organisations across the borough. This year we introduced a new Community Volunteering award for our students. One of our largest student societies, *Hacksmiths* – a technology society – has held weekly coding club sessions which are open to the local community as well as students. They also organised a 'community hackathon' to respond to strategic challenges for our community identified by local voluntary sector partners.

Open Book is a unique project hosted by Goldsmiths focused on engaging people with offending and addiction backgrounds with education. Open Book staff have expanded their community engagement activities in the last year and now include a Millwall Football Club creative writing workshop, community canal walks and a creative rejects workshop – a clothes repair and upcycle workshop.

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

Throughout the year, Goldsmiths has made progress in the support we offer our community of students, staff and alumni, with a particular focus on:

- A significant investment in enhanced careers advice, guidance and programmes
- Ensuring more resources are available in our Mental Health and Wellbeing teams
- Promoting equality and diversity
- Creating more opportunities for staff development
- Building relationships with our alumni community

Investing in careers support

Our performance in the Destination of Leavers from Higher Education survey confirms that graduate employment outcomes are an area where improvement is needed.

	2013-14	2014-15	2015-16	2016-17
Students in employment or further study (DHLE category)	92.6%	93.9%	89.0%	89.1%

With this need in mind, Goldsmiths has committed significant investment for the improvement of student employability and graduate outcomes, which led to a major expansion of our Careers Service team at the start of 2017-18. A 3-year Employability Strategy covering the whole institution was created and approved by the College's Academic Board in December 2017.

The strategy includes a number of targets relating to student and graduate engagement; careers registration; and outcomes in the DLHE survey.

Overall, student engagement with our Careers Service increased by 41% compared to the previous year. In 2017-18, we saw 9,321 students in one-to-one sessions and at events (including workshops, careers fairs, industry panels, employer presentations, alumni networking). The number of recorded unique student engagements (excluding careers fair attendance) is 3,523, which represents 34% of the Goldsmiths student population.

A new team focused on employer engagement and work experience was recruited, which drove an increase in the number of employers on campus (up 32%), work placements (up 10.6%) and internships (up 14%) on offer.

Careers Registration, which grew out of a 3-year HEFCE-funded project, is a process designed to measure learning gain in relation to work readiness. This involves a number of career-focused questions at enrolment each year to track development of students' career thinking and employability during their time at university. The data is an indicator of success in employment outcomes and provides robust evidence in evaluating the effectiveness of employability strategies and interventions. By 2017-18, three years of data had been collected, allowing us to analyse the career readiness progression of all undergraduate students since 2015-16.

This initial work has contributed to an increase of 3% in the Graduate Prospect Score in the 2016-17 DLHE compared to 2015-16. As this work continues and the benefits of investment is realised we hope that this will lead to further improvements in graduate outcomes.

Student mental health and wellbeing

Goldsmiths has been working hard to develop approaches to supporting student mental health and wellbeing. In 2016-17 (the latest reportable year), 5.14% of Goldsmiths' new entrant student population declared a mental health condition. To support these students, we invested further in student wellbeing, counselling and disability support. This has allowed for a reduction in waiting times, an increase in the provision of our wellbeing drop-in service and one-to-one appointments, and a continuation of the 24/7 provision delivered by our Campus Support Team. During the year two colleagues were trained to deliver in-house mental health first-aid training to develop the skills of our staff.

Progress on equality and diversity

Goldsmiths has a strong heritage of challenging inequality in all its forms. Equality, inclusion and social justice are values which are enshrined throughout our history, entrenched in the subject matter of our research and teaching, and embraced by members of our community. In 2017 we launched our Equality Objectives 2017-21 and an Action Plan to help us meet these objectives. In 2017-18, we:

- Launched the first specialist MA in Queer History providing a comprehensive introduction to the themes and methods of Queer History.
- Engaged for the first time with Diversifying Leadership, which is a new programme led by the Leadership Foundation for Higher Education that is designed to support early career academics and professional services staff from Black and Minority Ethnic backgrounds.
- Continued to support the Aurora Programme, aimed at increasing women's progression into leadership.
- Launched *Report and Support*, an online reporting tool for students, staff or visitors to campus to report incidences of sexual violence, sexual harassment, domestic violence, stalking and sexual misconduct, together with a new policy and process for reporting, and the roll-out of mandatory College-wide training programmes.
- Ran a campaign in support of Trans Awareness Week in November 2017.
- Were represented at the Pride in London parade for the first time this year, led by Goldsmiths' LGBTQ Staff Network.
- Rolled out more Equality, Diversity and Inclusion learning and development, with 217 staff undertaking Trans Awareness, and Unconscious Bias training over the spring and summer terms of 2017-18.

- The interactive trans awareness workshop introduces key information for staff to enable them to support trans colleagues or trans students. It is facilitated by Gendered Intelligence which was founded by Goldsmiths graduate, Jay Stewart.
- Developed a number of 'Positive Action' initiatives. In summer term in the 2017-18 academic year members of Goldsmiths' HR team worked with Student Counselling colleagues to help support them with a project aimed at improving the representation of Black and Minority Ethnic staff within their counselling team.

Staff development

Goldsmiths' new strategy puts an emphasis on improving approaches to recruiting and developing staff. Our New and Aspiring Managers programme ran for the first time in 2017/18. Other initiatives included:

- The *Leading@Goldsmiths* development programme, which aims to develop participants' knowledge, understanding, and skills of contemporary leadership.
- Career development support for all levels of teaching and academic staff provided by Goldsmiths Teaching and Learning Innovation Centre.
- Supporting staff to achieve Higher Education Academy (now Advance HE) Fellowship.
- PhD supervision training for PhD supervisors.

Alumni community

Goldsmiths is proud of its alumni community with many well-known former students who have made their name in the Arts, contemporary music, literature, politics and the other fields for which we are known.

In 2017-18 we sent two editions of the alumni magazine, *Goldlink*, reaching 55,150 alumni. *Goldlink* was also shortlisted alongside Loughborough University, and Middlesex University for Best Alumni, Development and Fundraising initiative in the 2018 Heist Awards. Online, we sent 12 alumni e-newsletters, reaching on average 30,150 alumni per newsletter.

In a collaboration with International Recruitment colleagues, our Development and Alumni team delivered joint alumni and offer holder events in Bangkok, Beijing, Hong Kong, New York, Seoul, Shanghai, Singapore, Taipei and Tokyo. The gatherings connected those on opposite ends of their Goldsmiths journey with each other: alumni had the chance to reunite and make new connections and incoming students were able to seek advice from our former students. Just under 400 alumni and prospective students took part in the series and the feedback was resoundingly positive.

The events were supported by an international network of alumni volunteers – 45 Alumni Ambassadors are based in 35 cities around the world, supporting colleagues with local recruitment activities when appropriate. Mallika Bajaj (MA Media and Communications, 2011) even travelled from New Delhi to deliver a talk to alumni volunteers and donors on campus, to explain what giving back her time as an Alumni Ambassador means to her.

Our alumni are fantastic role models and potential mentors, advocates and employers of our students. With this in mind we further developed the online e-mentoring platform – *Goldsmiths Connect* – to link and match students with alumni for careers advice; we received a 23% increase in membership in 2017-18 and just under 3,000 alumni, students and staff are registered users. 44 alumni returned to campus to give careers presentations across a range of departments and a further 20 provided testimonials based on their time here as students.

In addition to sourcing speakers for other departments, the Development and Alumni Office also coordinated the first formal reunion for our Department of Visual Cultures alumni on campus, and piloted a new series of alumni networking events based on specific sectors – the first event was based on Media and Publishing and has been repeated for the Third Sector in early 2018/19. The Development and Alumni team seek support from alumni all year round and maintain a list of 370 alumni who have expressed interest in volunteering – either generally or specifically, eg willing to provide an internship or to mentor a current student.

Other initiatives

We are home to many exciting initiatives that capture the essence of our unique institution and provide an external showcase for the best of Goldsmiths, including:

- **The Goldsmiths Press**, which seeks to revive and regenerate the traditions of academic publishing. Our aim is to create a new culture around academic knowledge practices. The publishing programme continued in 2017-18 with the launch of various titles including *Bikes & Bloomers: Victorian Women Inventors and their Extraordinary Cycle Wear*; *Economic Science Fictions*; and *Sonic Agency: Sound and Emergent Forms of Resistance*.
- **The Goldsmiths Prize** continues to celebrate the qualities of creative daring associated with the College and to reward fiction that breaks the mould or extends the possibilities of the novel form. *H(A)PPY* by Nicola Barker was the winner for 2017.
- **NX Records**, a collaboration between Goldsmiths and Matthew Herbert's Accidental Records, was set up to create a new model for the music industry, with a strong focus on talent from Goldsmiths and the wider south east London community.

7. BUILDING AN EFFICIENT AND EFFECTIVE INFRASTRUCTURE

We are focused on developing our long-term planning and forecasting processes. This includes ensuring that more robust management information is available to support decision-making, and developing our resource allocation processes to further improve transparency, accountability and our financial sustainability. During the year we launched our innovative financial transparency report (www.gold.ac.uk/media/documents-by-section/about-us/governance/reports-and-statements/GS-Transparency-Report-2017.pdf) to provide a greater level of accountability to College stakeholders. The 2018 version will follow shortly after the publication of these financial statements.

Our infrastructure covers both Information Technology and physical estate, and, in light of the refreshed institutional strategy, we are reviewing our strategies for each area.

In June 2018, we launched our new **Business Systems Strategy**. We have a range of IT systems, all of which are subject to a cycles of renewal, development and maintenance. The strategy seeks to develop a prioritisation and roadmap for systems development as well as better defining ownership of, and responsibility for, systems and their development.

Alongside this, we are developing a **Digital Strategy**, the primary focus of which will be the provision of digital technologies to support our teaching, learning and research activities, helping equip our students with the technical knowledge needed for their futures. Input into the strategy will come from key student and staff stakeholders.

As we write this report, we are in the process of recruiting a new Director of Estates and Facilities. The priorities for the new Director include the continuing review and refresh of our built estate, ensuring we are maximising the use of space while paying particular regard to ways in which we can meet future pedagogic needs and enhance the student experience on-campus. Reducing our environmental impact remains an integral part of our estate maintenance and development. As discussed elsewhere in this report, 2017-18 saw our estate evolve in a number of important ways. Over 200 professional services staff were relocated into the new Caroline Graveson Building in December 2017, freeing up space in the heart of campus for academic activities. The summer of 2018 also saw the opening of the refurbished George Wood Theatre and Goldsmiths Centre for Contemporary Art.

Having refreshed its institutional Strategic Plan, the College is in the process of developing its new **Financial Strategy**. It will address the external challenges discussed within these Annual Reports and Financial Statements while seeking to secure sufficient funds to ensure the

necessary investments are put in place to deliver the institutional strategy and achieve financial sustainability.

Surplus as a percentage of revenue has historically been used as a key measure of sustainability. The introduction of FRS 102 in 2015-16 has adversely impacted, and created greater volatility in, reported surplus. We therefore have increasingly focused on operating cashflow as a key financial performance measure. Operating cash flow performance is presented below:

	2013-14 £'000	2014-15 £'000	2015-16 £'000	2016-17 £'000	2017-18 £'000
Net cash inflow from operating activities	Not restated for FRS102 presentation	4,813	4,256	10,929	11,009
As a percentage of income	Not restated for FRS102 presentation	4.7%	4.1%	9.5%	8.7%

While working capital movements can cause volatility in this measure, the broad trend improvement reflects a stable underlying financial performance. In particular, the amount of depreciation (which is not an operating cash flow) has increased, which benefits the reconciliation of financial surplus to operating cash inflows.

The key tactical measures being taken to improve operating cash flow generation include:

- Improving student retention rates.
- Ensuring we have a Home/EU: International student mix that is appropriate for a London institution with our range of subjects offered.
- Continuing our strategy of undergraduate and postgraduate tuition fee growth where possible, while acknowledging that the high growth rates seen over the past three years are not necessarily sustainable in future.
- Growing research grant income to benefit from economies of scale in light of investments which have been made in research administration infrastructure.
- Concluding our programme of estates and IT backlog capital expenditure such that a stable run rate level of capital expenditure and depreciation is achieved.
- Continuing to exercise non-staff cost restraint in order to ensure the benefits from the current non-staff cost reduction exercise are not reversed.
- Concluding our step-change investment in professional services headcount such that economies of scale will emerge.
- Diversifying income streams to improve the resilience of cash flows.



OUR OPERATING STRUCTURE

Goldsmiths' formal governance structures, including the roles of Council, Academic Board and their respective committees, are explained in detail in the Corporate Governance and Internal Control section on pages 34-37.

On a day-to-day operational basis, academic life is centred on 18 academic departments which are grouped into three Schools, each of which is led by one of the academic Pro-Wardens. The Schools operate as a vehicle for internal management, strategic planning and financial reporting and are not intended to play an outwardly visible role. The external face of Goldsmiths remains the individual academic departments, each with a unique presence and distinctive culture.

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

Our academic departments are as follows:

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

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

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

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

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

The Senior Management Team (‘SMT’) provides overall operational leadership to the College, while remaining accountable to Council and its various Committees. The SMT comprises:

- **Warden**
Patrick Loughrey
- **Deputy Warden; Pro-Warden for Learning, Teaching and Enhancement; and Head of the School of Arts and Humanities**
Professor Elisabeth Hill
- **Pro-Warden for Research & Enterprise and Head of the School of Culture and Society**
Professor David Oswell
- **Pro-Warden for International and Head of the School of Professional Studies, Science and Technology**
Professor Mark d’Inverno
- **Registrar and Secretary**
Helen Watson
- **Director of Finance**
Ian Pleace

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 32-33. We do, however, seek to generate a moderate surplus and a positive net cash inflow from operating activities in order to:

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

2017-18 Financial headlines

We present below a high-level overview of where Goldsmiths gets its income from and how that income is spent, together with a review of our financial performance in the 2017-18 financial year.

In summary, though, the 2017-18 financial headlines are as follows:

- Total income grew by 9.7% to £125.9 million, driven by a continued strong growth in tuition fee income of 10.5% as student numbers across all major categories increased, together with the release of £2.2 million of capital donations in connection with the completion of Goldsmiths Centre for Contemporary Art.
- Total expenditure increased by 10.1% to £126.7 million as staff costs grew to keep pace with student number growth and investment was made in specific areas such as the College's Careers Service.
- The deficit before other gains and losses increased to £754,000 (from a deficit of £271,000 in 2016-17).
- After taking into account the gain on investments, the overall reported deficit is £674,000. This compares with a surplus of £236,000 in 2016-17 which benefited from a £484,000 gain on the disposal of a small surplus property.

- As demonstrated in the table below, the underlying surplus position, after adjusting for one-off items, has worsened since 2016-17, and this performance is still well below the Higher Education sector average, notwithstanding the recent increase in the number of Higher Education Institutions reporting a deficit.

	2017-18 £'000	2016-17 £'000
Surplus as reported	(674)	236
<i>Less release of Goldsmiths CCA capital donations</i>	(2,169)	-
<i>Less one-off gains (fixed asset disposals)</i>	-	(484)
<i>Add back one-off costs (Surrey House and Raymont Hall resident payments)</i>	-	560
<i>Add back one-off net costs in respect of third party supplier contracts</i>	750	-
Underlying (deficit)/surplus	(2,093)	312

- The net cash inflow from operating activities was £11 million (2017: £10.9 million). The small improvement reflects favourable working capital movements and increased depreciation and amortisation charges (which are non-cash items) within the financial surplus.
- After taking into account: (i) the College's ongoing estates and IT capital expenditure programme; and (ii) the costs of servicing debt and finance leases, total cash balances (including cash held in deposit accounts) as at 31 July 2018 were £26.7 million, £3.2 million lower than at the same point in 2017.
- Net assets increased from £87.7 million to £93.1 million due principally to a favourable actuarial assumption movement on the LPFA pension scheme.

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

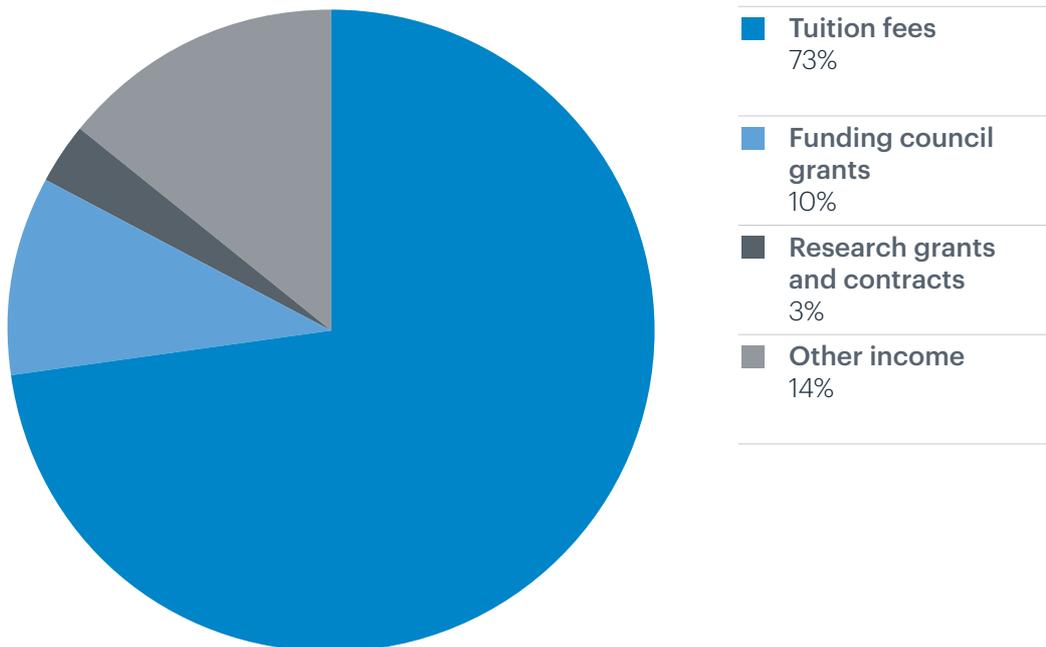
Income

In common with all UK universities, our funding structure has changed significantly over the past 10 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 73% of income in 2017-18). This has had the effect of shifting our income from fairly stable sources to a far more market-driven (and therefore potentially volatile) revenue base where we are competing with other universities for student tuition fees.

Our main income sources are as follows:

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

2017-18 Sources of income



Income: Tuition fees

The vast majority of income (73%) is derived from tuition fees. Of this, over half is in respect of Home/EU undergraduate tuition fees. From 2012 to 2017, these fees were fixed at £9,000 per annum. Accordingly, the only way to grow our largest single source of income in order to cover rising costs had been to increase student numbers, which have increased steadily from 4,000 in 2012-13 to 5,510 in 2017-18 in respect of Full-Time Equivalent Home/EU undergraduates.

In 2016-17 Goldsmiths achieved 'meets expectation' status to participate in the Teaching Excellence Framework (TEF 1) and, as such, raised Home/EU undergraduate fees by £250 for the 2017-18 academic year onwards. Goldsmiths achieved a Bronze rating in TEF 2. The rating is aimed at informing student decision-making, driving and rewarding teaching quality. The key datasets are currently derived from the National Student Survey and Destinations of Leavers from Higher Education return that Goldsmiths is required to complete. Goldsmiths has a clear action plan in place for each of the measures within the framework given its Bronze award.

It was originally intended that from 2019-20 institutions with a Gold or Silver rating would be entitled to increase their fees beyond £9,250 by 100% of inflation, while institutions with a Bronze award would be entitled to increase fees by 50% of inflation. However, tuition fees are currently under

review by the UK government and these increases are not currently enacted (nor are they likely to be).

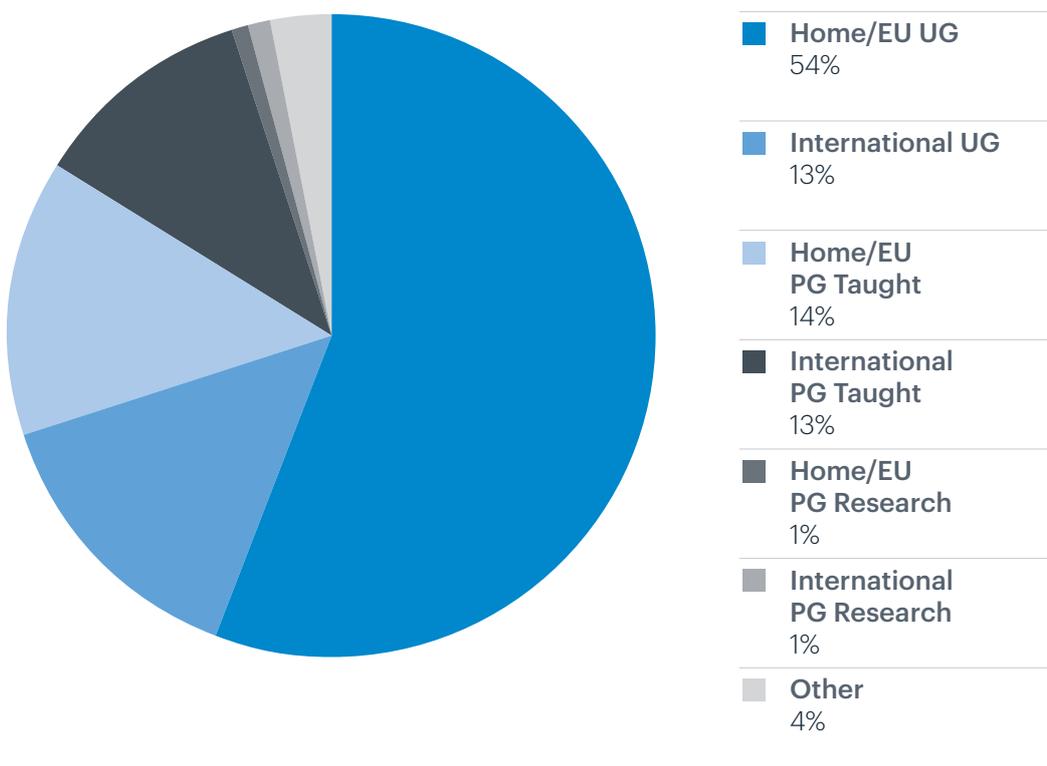
It is Goldsmiths policy to fix undergraduate fees for each student for the duration of their study.

Until 2015-16, Home/EU undergraduate student numbers were subject to a government cap, which limited our ability to recruit. The cap was removed from 2016-17, which has resulted in greater competition for students, presenting both risks and opportunities for the College.

Most other tuition fees are not regulated in the same way and are generally subject to annual inflationary increases. Postgraduate taught courses (such as MSc and MA degrees) accounted for 27% of tuition fee income in 2017-18.

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

2017-18 Tuition fees breakdown



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

Funding Council grants

Grant funding is still received from the OfS in respect of some teaching activity and Research England (part of UKRI) in respect of research, and accounted for 10% of income in 2017-18. Research England research grant funding, also known as QR (Quality-Related) funding, was allocated to institutions in accordance with the results of the 2014 Research Excellence Framework (REF) exercise. Notwithstanding a generally strong performance in this exercise, with almost three-quarters of research at Goldsmiths rated world leading or internationally excellent, the overall level of QR funding was reduced, with the result that Goldsmiths' allocation fell from £7.7 million in 2014-15 to £5.5 million from 2015-16 onwards, although we have secured small incremental increases since then. A small amount of capital grant funding is still received from these government bodies, although this now constitutes less than 1% of income.

During the year we were required to re-bid for an element of our QR funding under the Global Challenges Research Fund initiative. We were successful in our re-bid, securing the funding for the 2018-19 financial year.

Research grants and contracts

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

Other income

Other income comprises primarily fees from student accommodation, catering activities, and amounts

receivable from research councils to fund certain doctoral students. In addition, we receive small amounts of income in respect of conferences and other events hosted on our campus. Diversifying our other income sources is a priority for Goldsmiths.

Income performance in 2017-18

In 2017-18, income grew by 9.7% to £125.9 million (from £114.8 million), reflecting:

- A strong growth in tuition fee revenue, which increased by 10.5% to £91.6 million. This is our largest income stream and consequently explains most of the overall income growth. There was good tuition fee growth across all major categories, especially international students.
- Small increases in funding body grants, particularly HEIF funding.
- Lower research grant income in light of a number of grants having concluded in the previous financial year. The income figure is also suppressed by a one-off reversal of c£0.3 million of research grant income accrued in previous years which was not subsequently capable of being charged to funding bodies. This had been provided for historically and the offsetting provision release has been recorded in other operating expenses such that there is no overall impact on surplus. Aside from this one-off matter, our Research and Enterprise Strategy is focused on returning research grant income to its previous higher levels.
- An increase in other operating income, driven by: (i) the accounting for income received from research councils in respect of matched funded doctoral training schemes. We now show the receipts gross in income and the offsetting payments to students as an operating expense. These sums were netted against each other in 2016-17 and these

comparative figures have not been restated. This apparent growth therefore has no impact on surplus and is purely a presentational adjustment; and (ii) the release of donations received in connection with the funding of the construction of the Goldsmiths CCA. However, offsetting this was a contractually negotiated reduction in annual validation fees charged to LASALLE, our academic partner in Singapore.

- A slight decline in endowment and investment income, which is currently a small income stream for Goldsmiths. Cash balances were reduced given the ongoing capital expenditure programme and this led to lower interest income on those balances.

Expenditure

Our expenditure comprises:

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

In 2017-18, our staff costs stood at 60% of total costs. This is in excess of the Higher Education sector average, partly reflecting the more staff-intensive nature of some of our teaching. Also, in order to operate, we need all of the administrative infrastructure of any other university, but as a smaller institution we are less able to generate the full economies of scale from that investment in administrative staff. We are in the process of reviewing the staff cost base in order to identify areas for potential efficiencies.

Of our staff cost base, 65% of spend relates to academic departments (including administrative staff in those departments) and 35% relates to central professional services

departments. Staff pay levels are determined through nationally led negotiations between universities and trade unions. Pension fund provision is made through either the London Pension Fund Authority or the Universities Superannuation Scheme. The cash cost of these schemes has increased in recent years, reflecting the deficit position of both schemes. Staff costs are also impacted by employer's National Insurance contributions which, in light of recent changes in legislation, increased by c£1.4 million on an annualised basis.

Our people

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

Goldsmiths employs 1,294 Full-Time Equivalent staff, including 637 academic FTEs. We are proud of the continuing recognition being won for teaching, professional services, publications, community events, social media and research. Professional development opportunities are open to all colleagues as we aim to be at the forefront of accredited staff development. Our Human Resources Learning and Development Team continue to work closely with academic and professional services colleagues to support ongoing academic and professional development opportunities within the institution.

We are working hard to ensure that Goldsmiths maintains an environment where our staff feel respected, safe and secure. For example, our aim is to embed Equality and Diversity across Goldsmiths

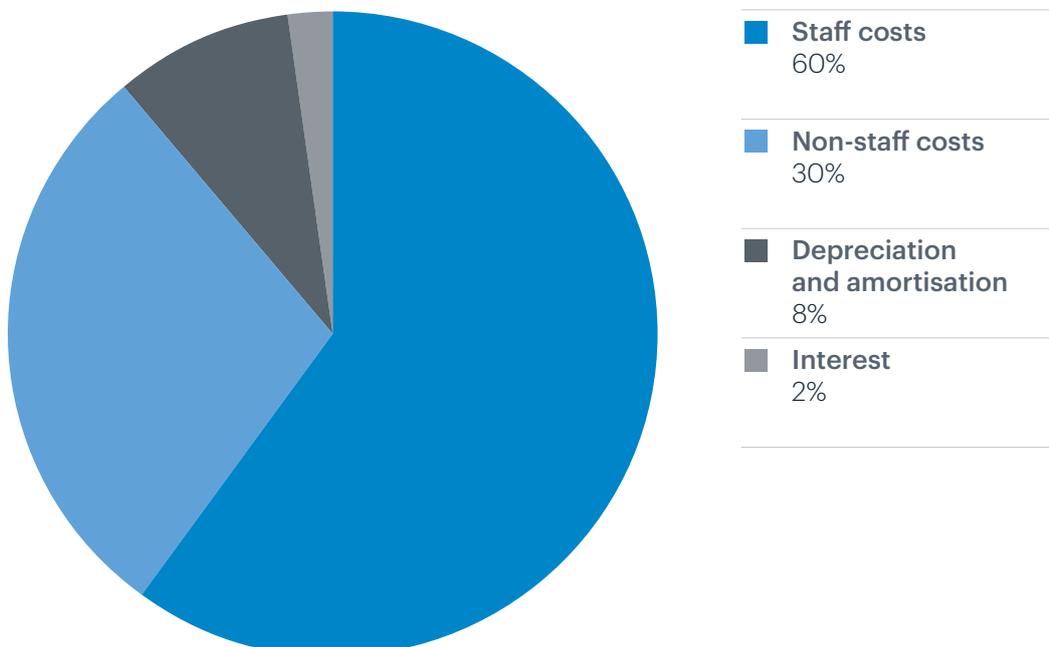
and make it a part of everything that we do by working together collaboratively and proactively and we were delighted to launch our renewed Equality and Diversity strategy and plan in the previous financial year to proactively work towards this aim.

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

- Scholarships and bursaries
- Student accommodation rental costs on leased or nominated halls of residence
- Security, cleaning and maintenance costs
- Utilities, such as gas, electricity and water
- Business rates
- Block grant to Goldsmiths' Students' Union
- Library materials including hard copy publications and electronic subscriptions
- Catering
- Student placement fees in teaching and social work
- Subscription to the University of London

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

2017-18 Expenditure



Capital investment, depreciation and amortisation

In recent years we have increased the level of capital investment considerably. To give a sense of perspective, in the three years to 31 July 2009, our capital expenditure totalled £15 million at a time when £7.3 million of HEFCE capital grants were received. In the three years to 31 July 2018, we have spent £46.5 million on capital expenditure and have received just £3 million of government capital grant funding over the same timeframe.

The majority of our capital expenditure is on our estate, with an increasing focus on building a robust IT infrastructure that meets the needs of students and staff, most recently through the roll out of new audio visual equipment in all of our major teaching rooms. For both our estates and IT infrastructure, a significant amount of spend has been required to cover the backlog of issues arising from the previous low levels of investment.

Depreciation and amortisation charges arise as capital expenditure is charged to our Statement of Comprehensive Income and Expenditure evenly over the estimated useful economic lives of the assets acquired. Our depreciation and amortisation charges continue to rise, reflecting the underlying increases in capital expenditure. Estate assets often have a long life (for example, a new building is typically depreciated over 40 years), whereas IT assets invariably have a short life (for example, 3 years for hardware, 5 years for a strategic software system). As Goldsmiths increases expenditure on shorter-lived IT infrastructure, our depreciation and amortisation charges are expected to accelerate over the next couple of years before stabilising as the historical backlog is cleared.

By way of explanation, 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).

Our physical infrastructure

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

Goldsmiths enjoys a unique campus environment and students tell us that they value the New Cross experience as being different from both more traditional city centre universities and out of town campuses. The location at New Cross does mean that we need to offer a broad range of facilities and particular effort has been put in recent years into adding additional catering outlets and social spaces. Enhancing the whole student experience is important to us, and investment has also been made in improving Wi-Fi across the campus and developing the core physical estate and ongoing improvements to IT services and systems.

Long-term liabilities and interest costs

It is not always possible to fund activity directly out of the cash flows generated by our operations. In order to undertake major capital expenditure, Goldsmiths has in the past entered into external financing arrangements which are reflected on the College's balance sheet as long-term borrowings. These take the form of long-term loans with Royal Bank of Scotland and Lloyds, together with a finance lease in respect of our Loring Hall student accommodation. Together, these arrangements represent £20 million of borrowing. Data from the OfS suggests that our gearing (external

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

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

Our pension schemes

Goldsmiths employees are eligible to join either the London Pension Fund Authority ('LPFA') scheme or the Universities Superannuation Scheme ('USS'). 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 2017 valuation of the USS pension scheme was not completed in time for the June 2018 statutory deadline. The Trustee has therefore embarked on a plan to increase contributions to clear the unagreed deficit. In the meantime, a Joint Expert Panel comprising representatives of employers and Trade Unions has sought to make recommendations on how the valuation might be concluded successfully. We are hopeful that this process will lead to a resolution of what has been a difficult time for all stakeholders in the USS scheme.

Expenditure performance in 2017-18

In 2017-18, expenditure charged to the Statement of Comprehensive Income and Expenditure grew by 10.1% to £126.7 million (from £115.1 million), reflecting:

- An 8.6% increase in staff costs to £75.4 million as a result of: (i) new staff recruitment to address the higher student numbers and new programme development; (ii) ongoing investment in student-facing professional services, including a major increase in the headcount of our Careers Service; and (iii) the 2% pay rise awarded to all staff following national negotiation.
- An increase in other operating expenses costs, the largest element of which was the cost of payments of research council funded doctoral training grants (please see discussion of this within the income section above). As there is offsetting income to fund the grants they do not have a net impact on surplus. Other increases were due to higher agents' commissions for the recruitment of international students (given higher international student numbers), a rise in the bad debt provision and higher facilities/utilities costs as a result of the opening of the new Caroline Graveson Building. Included in other operating expenses are £750,000 of one-off net costs in connection with third party supplier contracts.
- An increase in total depreciation and amortisation charges of 13% to £10.9 million, driven by the ongoing investment in the estate and, in particular, shorter lived IT assets.
- Slightly lower interest charges as the principal/capital element of bank loans is gradually repaid.

Cash flow and balance sheet

Cash flow

In 2017-18, the net cash inflow from operating activities was £11 million (2016-17: £10.9 million). The broadly stable position reflects:

- Favourable working capital movements.
- Increased depreciation and amortisation charges. Depreciation and amortisation charges are not cash outflows (as the cash flows are recorded in the Cash Flow statement when the assets are acquired). As the proportion of non-cash items within operating expenditure increases, so the proportion of cash-based operating expenditure declines, improving the operating cash flow position for any given level of surplus.

Total cash balances (including cash invested in deposit accounts) as at 31 July 2018 were £3.2 million lower than at the same point in 2017 as the College's capital expenditure and debt repayments exceeded the cash flows generated from operating activities.

Capital expenditure, which totalled £14.2 million in the year (including accrued costs), comprised:

- The conclusion of the fit-out of the Caroline Graveson Building, into which 200 professional services staff were relocated in December 2017.
- Completion of the Goldsmiths Centre for Contemporary Arts which subsequently opened in September 2018. The majority of this spend has been funded by donations collected over the past three years.

- The refurbishment of the George Wood Theatre and the creation of two new adjacent studio spaces.

- The continued upgrade and refresh of the College's IT infrastructure.

- Other minor capital works.

The cash cost of servicing debt and finance leases was £3.0 million.

Balance sheet

Net assets increased from £87.7 million as at 31 July 2017 to £93.1 million as at 31 July 2018, reflecting favourable actuarial assumption changes in connection with the LPFA pension scheme. The fixed asset balance increased by £3.3 million given ongoing capital expenditure offset by depreciation and amortisation. No new loans were taken out in the year. After continued repayment of debt principal, external loan and finance lease balances stood at £20 million at 31 July 2018 (2017: £21.7 million).

Budgeting and strategic planning

In order to achieve strong financial control, Goldsmiths has developed a contribution model for resource allocation whereby:

- A desired level of overall operating cash flow for the institution is set.
- Professional services budgets are set, reflecting an assessment of academic department needs, together with a central cost budget for items such as capital expenditure and interest.
- In light of the desired operating cash flow, professional services and central cost budgets, an overall contribution target is set for revenue-earning departments. Contribution is defined as revenue less the directly controllable costs of a department.
- The contribution targets are then allocated out to departments and form the basis of their strategic planning and budgeting exercises.
- Throughout, there is a degree of iteration and negotiation to ensure target setting is fair and reasonable and meets the overall financial objectives of the College.

Departments cannot therefore look at revenue and costs in isolation, but must manage both together if they are to achieve the required levels of contribution. Our goal is to have a flexible model whereby required contribution targets can be adjusted to encourage investment in academic growth.

The external environment

Goldsmiths faces a challenging external environment and both Council and SMT are attuned to the risks and opportunities that this environment presents. As in the past, Goldsmiths will continue to respond to these challenges positively drawing on the invaluable strengths of its people, its values and its uniqueness.

The UK's decision to leave the European Union and the related tightening of UK immigration policy (with uncertainty over any leniency for international students) together present a significant risk to Goldsmiths. The tightening of immigration policy may impact existing volumes of non-EU international students. It is not yet clear how it will impact EU students. Goldsmiths intends to do all it can to continue to attract high quality EU and non-EU students and to continue to make the case for the many

benefits that international students bring to UK universities, the UK economy and UK society as a whole.

The potential for greater restrictions over international student numbers comes at a time when UK demographic change is such that the number of 18 year-olds able to enter higher education is falling and is unlikely to return to current levels in the near future. In addition, recent Higher Education legislation makes provision for new market entrants to compete for students against existing universities. Alternative pathways such as apprenticeships are also growing in popularity.

Taking these three points together – international student restrictions, UK demographics and alternative options for study – a possible reduction in demand for places at Higher Education establishments may coincide with an increase in the supply of such places.



The renovation of the existing **George Wood Theatre** provides the College with a contemporary theatre with seating for up to 200 people and two new studio spaces fit for 21st-century creative practice.

The new facilities opened over the summer of 2018 following a 10-month project to completely overhaul the existing theatre (last refurbished in the 1960s) and create studio space housed in the Grade II-listed 19th Century former chapel on our New Cross campus.

Students and staff from across College are able to use the revamped building with scholars from the Department of Theatre and Performance and Department of Music expected to be the main beneficiaries. The theatre and studios will also be available for public hire when not booked by the College.

Renovating the theatre and studios gives our students the resources to devise and perform works in professional-standard spaces. In total there are 350 square metres (3,767 square foot) of renovated space.

At the same time, there is uncertainty over future fee levels for UK undergraduate students, and we await the outcome of the Government's Post-18 Education and Funding review. These supply and demand effects may be felt particularly harshly in the Arts, Humanities and Social Sciences.

Government policy favours science, technology, engineering and maths (the so-called STEM subjects) and those with a vocational bias, which has potential to impact demand, especially if it informs A-Level choices for students. At the same time, Humanities and Social Sciences are popular subjects with many universities as they require lower capital investment than many STEM subjects (which, for example, are often based in expensive laboratories) and can be taught with more economically viable student:staff ratios than subjects such as Art, Design and Performing Arts. STEM subjects also attract the majority of research funding.

In addition, the Teaching Excellence Framework discussed in the previous section of this Strategic Report creates further uncertainty over how students and potential applicants will respond to ratings of Gold, Silver and Bronze, especially in light of Goldsmiths' Bronze rating. Given the nature of the specific measures being assessed in the TEF, Goldsmiths scores less highly than many other institutions. The rating awarded does not, in the view of Goldsmiths, fairly represent the many strengths and positive aspects of academic life at Goldsmiths. It is currently unclear whether TEF outcomes will be used to drive broader government goals such as the proposed reduction in international student numbers. If so, the risk to Goldsmiths could be considerable.

Finally, the financial impacts of the above risks are compounded by the balance sheet exposure arising from pension provision. Both the USS and LPFA schemes are in deficit, and the obligation to fund these two defined benefit schemes remains a potentially onerous one.

There is no doubt that this environment is a difficult one for Goldsmiths. Each of the points discussed informs the College's institutional risk register, which is reviewed regularly by SMT and Council.

In response to these risks Goldsmiths is focusing on:

- Raising the profile of what Goldsmiths does. The strength of Goldsmiths lies in the uniqueness of its teaching and research. Our academics are not afraid to challenge established thinking. Our values and cultures are supportive of radical thinkers and we remain an attractive destination for academics and students. We will be positive and vocal about what we stand for as we respond to the evaluation frameworks that the government has been introducing for teaching and research.
- Conserving cash. £12 million of the capital receipt in connection with the transfer of some of our student accommodation to a third party provider in 2015 will be held as a financial cushion to ensure liquidity. These funds had originally been earmarked for capital expenditure.
- Continuing to grow student numbers where possible. The College's view is that it should continue to pursue a positive growth-led strategy, although not at any cost. Goldsmiths has a strong track record of launching and growing new and innovative programmes.
- Maintaining strong control over costs. Where new programmes are introduced or student cohorts are increased significantly on existing programmes, Goldsmiths seeks to ensure that this growth is supported through sufficient and appropriate resources – it is accepted that incremental costs will be incurred. However, new programmes are expected to contribute to Goldsmiths' total surplus and operating cash flow and their costs are subject to close scrutiny. We have a strong focus on reducing the College's non-pay spend, introducing tighter discipline over expenses, procurement compliance and supplier contract management.
- Developing and implementing a programme of activity to address performance issues raised by the NSS and TEF, with a view to improving the grading achieved.
- Building strong partnerships with international institutions.
- Investing in alternative delivery methods such as online platforms and distance learning which are scalable without incurring expensive estate costs. The case study on the collaboration with Coursera and University of London Worldwide (page 8) is an example of exciting innovation in this respect.
- Working with other institutions to further develop the idea of 'STEAM', whereby the roles of art, design and creativity as complementary disciplines to the STEM subjects are acknowledged. Scientific advance requires creative input, and Goldsmiths has a role to play in forging closer links with STEM-focused institutions.



LOOKING FORWARD

Financial outlook

The primary drivers of our financial performance will continue to be:

- Continued student number growth.
- A renewed focus on improving student retention and reducing attainment gaps.
- Further increases in staff costs, including higher pension contributions.
- Savings achieved from tighter non-staff cost control.
- Tight control over capital expenditure.

As a result, our financial performance will remain under pressure, and a small deficit is budgeted for 2018-19. Financial performance will remain well below Higher Education sector norms. This emphasises the need for continued focus on achieving a sustainable level of surplus and operating cash flow. The fundamental financial position of Goldsmiths, however, remains strong given the 2015 and 2016 capital receipts received from CLV and, compared to the wider Higher Education sector, our relatively low level of external debt gearing.

Looking beyond the 2018-19 financial year, it is likely that the rate of student recruitment growth will decline further. While Goldsmiths will continue to pursue new programme development opportunities (including the launch of our new Law offer), efforts to manage our staff headcount and overall cost base will accelerate. For example, we continue to freeze staff headcount growth in non-student facing professional

services departments given the significant investments made in this area in recent years. We will continue to focus on reducing non-staff cost spend as we focus on efficiencies.

Going concern statement

Goldsmiths' activities, together with the factors likely to affect its future development, performance and position are set out in the commentary above. The financial position of Goldsmiths, its cash flows, liquidity position and borrowing facilities are described in the Financial Highlights above and the cash flow statement on page 49.

Goldsmiths adopts a cautious approach to financial risk management. Funds are placed in low risk deposit accounts. While this limits the amount of financial return available, it does not expose these essential funds to undue risk.

Our external borrowings and finance leases are well established and no new debt has been taken on in the year. Our banking covenants were renegotiated in 2016 to reflect and, to the extent possible, neutralise the impact of FRS 102. We continue to meet our scheduled repayments and remain compliant with the revised covenants that attach to the external debt. Our forecasts show that this will continue to be the case. In making these statements, Council has considered forecasts that cover a period in excess of one year from the date of signing the financial statements.

We believe that Goldsmiths is well placed to manage its business risks successfully, despite the current uncertain economic outlook and the student recruitment pressures and funding model uncertainty facing the higher education sector. Council has a reasonable expectation that Goldsmiths has adequate resources to continue

in operational existence for the foreseeable future, such that the going concern basis of accounting continues to be adopted in preparing these annual financial statements.

Conclusion

Throughout this Strategic Report, we have highlighted the challenges and opportunities that face Goldsmiths. 2018-19 will be dominated by the Post-18 Education and Funding Review, detailed consideration of emerging pronouncements on Brexit and immigration policy, and (hopefully reduced) uncertainty surrounding the funding of the USS pension scheme.

Student recruitment in 2018-19 has been acceptable. Achievable targets were set for departments and although not all of these have necessarily been met, we have experienced reasonable growth in student numbers.

The coming year, like its predecessors, is unlikely to be plain sailing financially and we plan to conserve cash through a tight control of all expenditure. We remain confident that the fundamental strengths of Goldsmiths, articulated in this report, will be to our great advantage as we weather continuing storms.

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.

Our location in Lewisham, south east London, a vibrant and improving area with a strong local authority, but still one of the most deprived boroughs in the country with a low rate of youth progression onto higher education, is important to us. 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. 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. Among the initiatives that focus on the local community are our 'Realising opportunity' scheme, and Lewisham-focused scholarships.

Goldsmiths offers a range of short courses and undergraduate and postgraduate degrees, and students from non-traditional educational backgrounds are welcomed. In addition a portfolio of professional services courses is offered, particularly by our Department of Social, Therapeutic and Community Studies. The Teachers' Centre within our Department of Educational Studies provides continuing professional development support for primary and secondary level teachers, which both supports teachers' CPD and enables us to build relationships with schools in the south-east of England and London.

Goldsmiths undertakes outreach work with local schools and colleges through its student recruitment team in order to encourage participation from all those with potential to benefit from higher education. Our close links with schools and colleges in Lewisham and other local boroughs are at the foundation of this work and activities are often developed in conjunction with teachers and lecturers to meet the needs of their students. We work with schoolchildren of all ages, raising aspirations at all levels as well as running taster days and summer schools to give students who may be considering entering higher education the chance to experience what it might be like

to study particular subjects at university, and they also provide the opportunity to speak to university lecturers and undergraduates about their experience at Goldsmiths. The Open Book project works with those from offending and addiction backgrounds to encourage them to take up education, offering them on-going emotional and practical support throughout their course. The project has enabled adults from socially excluded groups to find places on undergraduate courses at Goldsmiths and other institutions.

Commitment to community

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

In addition to this, staff and students are encouraged to participate in community engagement activities such as public lectures, volunteering, and service on public committees (for example governing bodies of schools and further education colleges) which meet the Goldsmiths' strategic aims as well as benefiting the public. 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.

Local schools use 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 take action on making research results public as a condition of funding from the main sources of grants. It can thus readily provide detailed evidence of reporting obligations and how they have been fulfilled in respect of particular grants.

The College is mindful of the need to ensure proper separation of research activities for the public benefit, which describes most of the research carried out at Goldsmiths, from consultancy for private clients, or where there may be private benefit permitted for staff (within the framework of Goldsmiths' Consultancy Policy). The Enterprise Office, which nurtures our links with business and social enterprises, and the Research Office work closely together under a unified management line. All research applications and consultancy tenders now go through the same office. This ensures that there are clear decision points in the processes to make sure that projects are correctly directed through either the research or the consultancy process. Examples of our research activities are presented in the earlier 'Goldsmiths in 2018' section.

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

Environment and sustainability

Ongoing investment in improving our physical environment and supporting environmental sustainability has continued this year. Within our Estates and Facilities Department, the Energy and Environmental Manager has a wide-ranging remit relating to making environmental improvements.

We have adopted RE:FIT energy conservation measures (underpinned by a financial guarantee of financial savings) which will allow us to reduce our carbon emissions across the campus.

Ethical investment

Goldsmiths views an ethical investment policy as an important part of our strategic planning. As part of its review of the Treasury Management Policy, Council approved in summer 2014 an updated Ethical Investment Policy which has been embedded into broader Treasury Management. The Policy precludes investment in companies whose activities are inconsistent with the objectives of its Charter. We will not invest in companies whose activities could be seen to endanger individuals, its community of stakeholders or other groups. We achieve this by placing our long-term investments for our endowment with CCLA, a fund manager specialising in supporting not for profit and public sector organisations. 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') is a corporate body established by Royal Charter, and an exempt charity. During the financial and academic year, it operated under a Financial Memorandum with the Higher Education Funding Council for England (HEFCE) until 1 April 2018 and thereafter 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. During the financial and academic year first HEFCE and then the Office for Students (OfS) have, under the provisions of the Charities Act 2011, 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 exercise 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. 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 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 HEFCE, or from 1 April 2018 the Office for Students and Research England are used in accordance with the Financial Memorandum, and that the terms and conditions of funding of any other funding bodies
- to ensure that Goldsmiths complies appropriately with regulatory documents, including from the Office for Students.
- to approve borrowing or loans above an agreed value
- to approve contractual commitments over an agreed value and authorise Goldsmiths' signatories
- to approve the Financial Statements and accompanying reports, including the Corporate Governance Statement
- to approve the appointment of Goldsmiths' bankers, and internal and external auditors

- to approve policies and strategies designed to ensure good financial and risk management, and to monitor Goldsmiths' arrangements for risk management in ways which Council shall from time to time determine to approve the Articles of Governance of Goldsmiths' Students' Union, the Memorandum of Understanding between Goldsmiths and the Union, and procedures designed to ensure that the College complies with its legal responsibilities in relation to the Union's conduct of its affairs
- to approve Goldsmiths' Health and Safety Policy and Procedures and to monitor their implementation
- to approve the sale, purchase and lease of College land over an agreed value and/ or an agreed period of time
- to approve building projects over an agreed value and monitor their progress
- to be the employing authority for all staff in the institution, approve employment policies and strategies to ensure compliance with employment legislation and guidance and to monitor their implementation
- when relevant, to approve recommendations made by a properly constituted Redundancy Committee to make academic and academic-related staff redundancies
- to approve procedures for handling internal grievances and for managing conflicts of interest
- to appoint the Warden, the Registrar and the Director of Finance, and to approve recommendations for the appointment of Pro-Wardens, including the Deputy Warden
- to appoint the Secretary to Council
- to ensure compliance with all legislation affecting the College
- to act as appropriate in relation to the role of Council as trustees, and to ensure that Goldsmiths complies with charity law, and with the requirements of the OfS 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 and other relevant accounting standards in the preparation of the financial statements.

Committed to achieving enhancement in its own practices, in November 2018 Council will commence a routine review of its effectiveness as well as that of its committees and the College's governance structure. This review will be supported, and its recommendations considered in detail, by the newly established Nominations and Governance Committee, a body charged with maintaining an intense

concentration on the pursuit of the highest standards of governance.

Committees of Council and Academic Board

Council is responsible for determining the structure of its committee system as well as the terms of reference, composition and membership of each of the committees which report to it. The exception to this is Academic Board, whose composition and broad institutional status are established by Statute. Council regularly receives reports from Academic Board. No fewer than nine members of Academic Board also serve on Council.

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, and the Research and Enterprise Committee. Academic Board regularly reports to Council in support of the latter body's recently enhanced responsibilities for academic governance.

Finance and Resources Committee

The Committee, among other important functions, recommends the annual budget for approval

by Council each summer term and conducts termly reviews of the Management Accounts. It consists of independent members of Council (one of whom is Chair) as well as the Warden and the President of the Students' Union.

Audit and Risk Committee

The Audit and Risk Committee has terms of reference based on the Model Terms of Reference in the CUC Handbook for Members of Audit Committees in Higher Education Institutions. It has conducted its business within the financial and academic year with due regard of the Memorandum of Assurance and latterly Annexe C of 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.

Other committees

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

independent members to Council and to its committees, generally to enable the effective conduct of business while pursuing equality and diversity, and other matters pertaining to governance.

The Remuneration Committee has delegated power to determine the salaries of senior staff. It additionally supports Council to make the required disclosures pertaining to staff costs within these financial statements. The Committee has regard to the Higher education senior staff remuneration code.

CUC Governance Code of Practice

Goldsmiths adopts the CUC Higher Education Code of Governance 2014, as revised in June 2018. The College considers it appropriate to apply each of the primary elements and the supporting 'must' statements. Opportunities to enhance compliance with the Code will be identified within the forthcoming effectiveness review of Council.

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 Opinion.

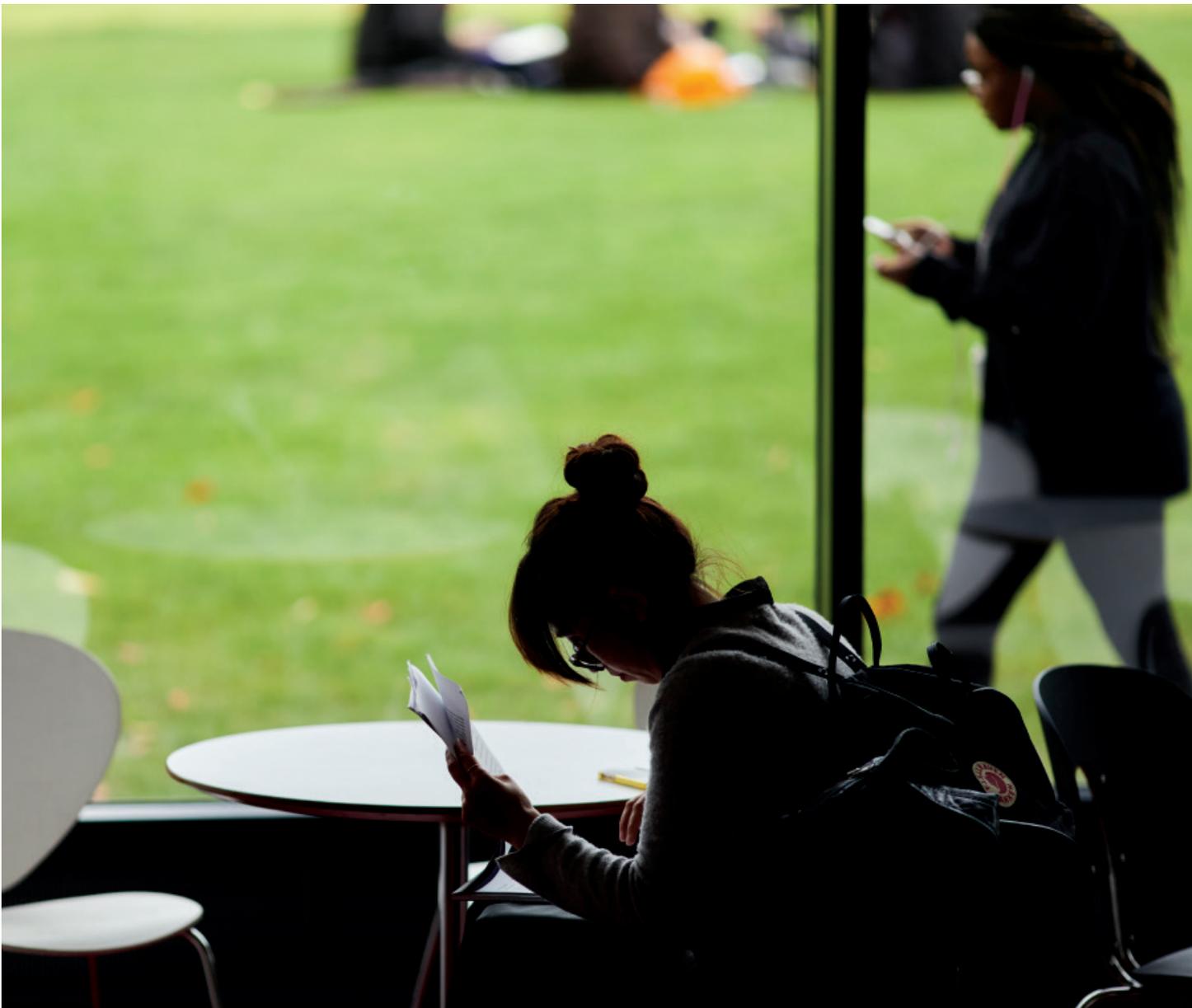
The College's internal audit arrangements have changed within the financial period, as opportunities to enhance the rigorousness of the system of internal control have been taken. The new internal auditors, KPMG, have been directed to focus the attention of work on areas of control that Goldsmiths considers to be of higher risk. KPMG's work for the year has concluded in a Head of Internal Audit Opinion of 'partial assurance with improvement required'. Management has welcomed the increased rigour brought to this control exercise and consider the seven high priority recommendations raised an opportunity to renew focused attention on the controls in place in these key areas. The College is committed to taking all action necessary and deploying all resources required to enhance the system of internal control as per the recommendations raised.

The College undertakes its risk Management activities in accordance with the Risk Management Policy. 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. An Operational Risk Register is maintained, which schedules those matters that present a challenge to business continuity. The identification and management of risk being an ongoing process, both of these documents are reviewed routinely by the Senior Management Team and the Audit and Risk Committee and Council receive and consider a report on the Strategic Risk Register

at all meetings. The Audit and Risk Committee receives an annual report concerning the management of risk.

The Strategic Risk Register has been renewed within the financial period in a process led by Council and the Audit and Risk Committee and facilitated by KPMG. Management will undertake a review of risk management activities during the 2018-19 financial period and an enhanced framework will be implemented before year end.

Dinah Caine CBE
Chair of Council



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

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Goldsmiths College:

- give a true and fair view of the state of the university's affairs as at 31 July 2018 and of the university's income and expenditure, gains and losses and changes in reserves and cash flows for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice: Accounting for Further and Higher Education.

We have audited the financial statements which comprise:

- the statement of comprehensive income and expenditure;
- the balance sheet;
- the statement of changes in reserves;
- the cash flow statement;
- the statement of accounting policies; and
- the related notes 1 to 25.

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) and the Statement of Recommended Practice: Accounting for Further and Higher Education.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the university in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

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

We have nothing to report in respect of these matters.

Other information

The governing body 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 we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information 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 respect of these matters.

Responsibilities of the governing body

As explained more fully in the governing body's responsibilities statement, the governing body is responsible for the preparation of the financial statements that give a true and fair view, and for such internal control as the governing body determines 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 governing body is responsible for assessing the university'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 governing body either intends to liquidate the university or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Office for Students (OfS) "Regulatory Advice 9: Accounts Direction"

In our opinion, in all material respects:

- funds from whatever source administered by the university for specific purposes during the year ended 31 July 2018 have been applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the OfS and Research England have been applied in accordance with the terms and conditions of the Accounts Direction and any other terms and conditions attached to them during the year ended 31 July 2018; and
- the requirements of the OfS's accounts direction have been met.

Use of our report

This report is made solely to the governing body in accordance with section 124B of the Education Reform Act. Our audit work has been undertaken so that we might state to the governing body those matters we are required to state to it 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 board of governors as a body, for our audit work, for this report, or for the opinions we have formed.

Craig Wisdom
Deloitte LLP
Statutory Auditor
St Albans, United Kingdom
3 December 2018

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'.

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

2 Statement of compliance

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

3 Summary of significant accounting policies

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

a) Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2015 and in accordance with Financial Reporting Standards (FRS102).

Goldsmiths is a public benefit entity and therefore has applied the relevant public benefit requirements of FRS 102. The financial statements are prepared in accordance with the historical cost convention modified by the revaluation of certain non-current assets.

b) Basis of consolidation

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

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

c) Income recognition

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

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

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

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

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

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

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

d) Short-term employment benefits

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

e) Finance leases

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

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

f) Operating leases

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

g) Taxation

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

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

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

h) Accounting for retirement benefits

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

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

Goldsmiths participates in the Universities Superannuation Scheme. The scheme is a hybrid pension scheme providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set.

Goldsmiths is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 'Employee benefits', Goldsmiths therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the Statement of Comprehensive Income and Expenditure represents the contributions payable to the scheme. Since Goldsmiths has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, it recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense is recognised.

USS: Defined Contribution component

A Defined Contribution plan is a post-employment benefit plan under which the employer pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to Defined Contribution pension plans are recognised as an expense in the Statement of Comprehensive Income and Expenditure in the periods during which services are rendered by employees.

Prior to 2016, Goldsmiths had no Defined Contribution plan. However, from 1 October 2016, USS introduced a Defined Contribution section to its scheme. Staff earning up to a threshold of £57,216.50 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 £57,216.50 and LPFA) are post-employment benefit plans other than Defined Contribution plans. Under Defined Benefit plans, the employer's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the employer. Goldsmiths recognises a liability for its obligations under the LPFA Defined Benefit plan net of plan assets. This net Defined Benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets. The calculation is performed by a qualified actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which Goldsmiths is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

i) Intangible fixed assets

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

j) Tangible fixed assets

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

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

Land

Land in use at 31 July 2014 was revalued to fair value by Gerald Eve, Chartered Surveyors, as at the date of transition to the 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 and furniture 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 (including furniture)	5 years

Other assets

Any works of art and other valuable artefacts purchased by Goldsmiths which are of material value are capitalised at cost. Goldsmiths has no heritage assets on its balance sheet.

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) 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.

l) Cash and cash equivalents

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

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

m) 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.

n) 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.

o) 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.

p) Financial instruments

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

Investments in non-convertible preference shares and non-puttable ordinary and preference shares are measured at fair value where publicly traded or their value can otherwise be reliably measured, otherwise they are carried at cost less impairment.

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

q) 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 currently run to the 2018-19 academic year and are renewable on an annual basis thereafter. The College 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.

r) 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 is treated as consideration for the granting of the operating lease. This element of the capital receipt is recorded as deferred income in the Balance Sheet and will be released to the Statement of Comprehensive Income and Expenditure in equal instalments over the life of the lease.

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

Pensions

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as the Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss 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 that the current schedule of contributions is the correct one to use, and have therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

s) Key sources of estimation uncertainty

Bad Debt Provision

Student and other receivables (*note 14*) are shown after deduction of a provision of £3.7 million, following a review of the recoverability of balances outstanding at the year end. This review was based on an analysis of payments received during the year in respect of debt that had been outstanding at the prior year end date of 31 July 2017.

Annual Leave Accrual

Accruals and deferred income (*note 16*) includes an accrual of £3.6 million for untaken annual leave allowances on 31 July 2018 (averaging 9.5 days per FTE), which 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 2014-15 and 2015-16, the trustees of both pension schemes have agreed recovery plans to fund past service deficits. The calculation of the Goldsmiths contribution to the deficit depends on a number of factors, including: salary increases, growth of staff numbers and the discount rate on corporate bonds. Management estimates these factors in determining the net pension provision in the balance sheet (*note 23*). The assumptions reflect historical experience and current trends.

In accordance with the requirements of the SORP, the College currently recognises a provision for its obligation to fund past deficits arising within the Universities Superannuation Scheme (USS). The recovery plan in the 2014 actuarial valuation requires employers to contribute 2.1% of salaries towards repairing the deficit over a period of 17 years, of which 14 years remain. Details of this provision, which has been discounted at a rate of 2.127% as at 31 July 2018, are included in *note 23* to the financial statements.

In the judgement of the College, as the 2017 valuation has not formally completed, and there remain various stages of consultation around key factors specifically relating to the funding of the past deficit, including the level of contributions required, the period of the recovery plan and the level of asset performance over the period, it remains appropriate to continue to account for the past deficit obligation in accordance with the plan agreed after the 2014 actuarial valuation.

However, there is a significant risk that the year-end provision as calculated will not reflect the position following the final outcome of negotiations, potentially by a very significant amount depending upon what is finally agreed as regards future deficit contributions and their duration. The University expects to have greater clarity in this respect during the next financial year:

The following sensitivity analysis outlines the potential impact on the existing liability of £12.5 million (assuming the same discount rate of 2.127%):

- The impact of a 1% increase in the deficit contribution to 3.1% from 1 April 2019 would be to increase the provision by £6.0 million to £18.5 million.
- The impact of a 3.9% increase in the deficit contribution to 6.0% from 1 April 2019 would be to increase the provision by £23.3 million to £35.8 million.
- The impact of an increase in the remaining duration of the deficit repayment plan by 2 years to 16 years, with the assumed deficit contribution remaining at 2.1%, would be to increase the provision by £1.5 million to £14.0 million.
- The impact of an increase in the remaining duration of the deficit repayment plan by 4 years to 18 years, with the assumed deficit contribution remaining at 2.1%, would be to increase the provision by £3.0 million to £15.5 million.

Provisions for liabilities

Included within provisions for liabilities (*note 18*) as at 31 July 2018 are amounts in connection with contractual disputes with suppliers. Such provision is made after consideration of legal advice and assessment of the progress made in commercial negotiations. Estimation uncertainty arises as the precise amount at which such disputes might be settled is not known at the year end date.

Statement of Comprehensive Income and Expenditure

Year ended 31 July 2018

Income	Note	2018 £'000	2017 £'000
Tuition fees and education contracts	1	91,606	82,861
Funding body grants	2	12,703	12,391
Research grants and contracts	3	4,089	4,603
Other income	4	17,314	14,600
Endowment and investment income	5	225	331
Total income		125,937	114,786
Expenditure			
Staff costs	6	75,396	69,385
Other operating expenses		38,032	33,609
Amortisation of intangible fixed assets	11	1,864	1,435
Depreciation	12	9,027	8,202
Interest and other finance costs	7	2,372	2,426
Total expenditure	9	126,691	115,057
Deficit before other gains and losses		(754)	(271)
Gain on disposal of fixed assets	8	-	484
Gain on investments	19	80	86
(Deficit)/surplus before taxation		(674)	299
Taxation	3, 10	-	(63)
(Deficit)/surplus for the year		(674)	236
Actuarial gain/(loss) in respect of pension schemes	23	6,053	2,422
Total comprehensive income for the year		5,379	2,658
Represented by:			
Endowment comprehensive income for the year		29	159
Unrestricted comprehensive income for the year		5,350	2,499
		5,379	2,658

All items of income and expenditure relate to continuing activities.

Statement of changes in reserves

	Income and expenditure reserves			Total
	Restricted: endowment	Unrestricted	Revaluation reserve	
	£'000	£'000	£'000	
Balance at 1 August 2016	3,103	22,498	59,414	85,015
Total comprehensive income for the year	159	2,499	-	2,658
Transfers between revaluation and income and expenditure reserve	-	770	(770)	-
Total movement in reserves	159	3,269	(770)	2,658
Balance at 1 August 2017	3,262	25,767	58,644	87,673
Total comprehensive income for the year	29	5,350	-	5,379
Transfers between revaluation and income and expenditure reserve	-	696	(696)	-
Total movement in reserves	29	6,046	(696)	5,379
Balance at 31 July 2018	3,291	31,813	57,948	93,052

The transfers between revaluation and income and expenditure reserve include:

- The difference between the historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount was £696,000 (2017: £695,000).
- The release from the revaluation reserve to the income and expenditure reserve related to the disposal of buildings was £nil (2017: £75,000).

Balance sheet

as at 31 July 2018

	Note	2018 £'000	2017 £'000
Non-current assets			
Intangible fixed assets	11	5,089	6,862
Tangible fixed assets	12	147,356	142,247
Investments	13	2,513	2,381
		154,958	151,490
Current assets			
Trade and other receivables	14	7,180	9,200
Cash and cash equivalents	15	26,676	29,939
		33,856	39,139
Creditors – amounts falling due within one year	16	(24,308)	(25,537)
Net current assets		9,548	13,602
Total assets less current liabilities		164,506	165,092
Creditors – amounts falling due after more than one year	17	(30,223)	(32,179)
Provisions			
Pension	23	(39,801)	(44,157)
Other provisions	18	(1,430)	(1,083)
Total net assets		93,052	87,673
Represented by:			
Restricted reserves			
Income and expenditure reserve – endowments	19	3,291	3,262
Unrestricted reserves			
Income and expenditure reserve – unrestricted		31,813	25,767
Revaluation reserve		57,948	58,644
Total reserves		93,052	87,673

The financial statements were approved by the Council on 3 December 2018 and signed on its behalf by

Dinah Caine CBE
Chair of Council

Patrick Loughrey
Warden

Cash flow statement

Year ended 31 July 2018

Cash flow from operating activities	Note	2018 £'000	2017 £'000
(Deficit)/surplus for the year		(674)	236
Adjustment for non-cash items			
Amortisation of intangible fixed assets	11	1,864	1,435
Depreciation	12	9,027	8,202
Gain on investments	19	(80)	(86)
Decrease in debtors	14	2,020	261
Decrease in creditors	16, 17	(772)	(96)
Increase in pension provision	23	640	566
Increase/(decrease) in other provisions	18	347	(91)
		13,046	10,191
Adjustment for investing or financing activities			
Investment income	5	(176)	(202)
Interest payable	7	2,372	2,426
Endowment income	19	(49)	(129)
Gain on disposal of fixed assets	8	-	(484)
Capital grant income		(3,510)	(1,109)
		(1,363)	502
Net cash inflow from operating activities		11,009	10,929
Cash flows from investing activities			
Proceeds from sales of fixed assets	8	-	3,187
Capital grant receipts		1,341	970
Withdrawal of deposits		-	20,439
Investment income	5	176	202
Payments made to acquire intangible fixed assets	11	(89)	(2,664)
Payments made to acquire tangible fixed assets	12	(12,644)	(14,125)
New non-current asset investments	13	(52)	(49)
		(11,268)	7,960
Cash flows from financing activities			
Interest paid	7	(715)	(753)
Interest element of finance lease	7	(600)	(675)
Endowment cash received	19	49	129
Repayments of amounts borrowed		(776)	(974)
Capital element of finance lease		(962)	(834)
		(3,004)	(3,107)
(Decrease)/increase in cash and cash equivalents in the year		(3,263)	15,782
Cash and cash equivalents at beginning of year		29,939	14,157
Cash and cash equivalents at end of year		26,676	29,939

NOTES TO THE FINANCIAL STATEMENTS

1. Tuition fees and education contracts

	2018 £'000	2017 £'000
Home/EU undergraduates: full-time	49,356	46,104
Home/EU postgraduates: full-time	10,077	9,310
Home/EU students: part-time	3,577	3,244
International students	26,863	23,215
Non-credit bearing courses and other fees	1,733	988
	91,606	82,861

2. Funding body grants

	2018 £'000	2017 £'000
Recurrent grants		
Office for Students teaching grant	4,862	4,833
Research England research grant	5,880	5,924
Specific grants		
Office for Students/Research England other grants	746	525
Office for Students/Research England capital grant	1,215	1,109
	12,703	12,391

3. Research grants and contracts

	2018 £'000	2017 £'000
Research councils – UK	1,370	1,230
Research councils – EU	1,710	1,806
Research charities – UK	609	397
Research charities – EU	303	287
Research charities – Non-EU	38	97
Industry and commerce	-	456
Research and development expenditure tax credit	-	292
Other	59	38
	4,089	4,603

The Research and Development Expenditure Tax Credit is a government incentive to undertake research into science and technology. The claim relates to the period from 1 August 2013 to 31 July 2015 and the amount above, less a deduction of corporation tax of £63,000, was received in full in the year ended 31 July 2017. This incentive is no longer available to universities for expenditure after 31 July 2015.

4. Other income

	2018 £'000	2017 £'000
Residences, catering and conferences	9,226	9,556
Other services rendered	1,741	2,521
Other capital grants	2,295	-
Other income	4,052	2,523
	17,314	14,600

As noted on page 23 the movement in other income reflects the release of donations in connection with Goldsmiths CCA, together with the grossing up of grants received to fund doctoral training. These increases are offset by a contractually negotiated reduction in income from our academic partnership with LASALLE in Singapore.

5. Endowment and investment income

	2018 £'000	2017 £'000
Investment income on endowments	82	89
New endowments	49	129
Other investment income	94	113
	225	331

6. Staff costs

	Underlying Expenditure £'000	FRS102 Annual Leave Accrual £'000	FRS102 USS Pension Provision £'000	2018 £'000
Salaries and wages	58,508	282	-	58,790
Social security costs	5,809	28	-	5,837
Movement on USS provision	-	-	(856)	(856)
Other pension costs	11,488	48	-	11,536
Restructuring costs	89	-	-	89
	75,894	358	(856)	75,396

	Underlying Expenditure £'000	FRS102 Annual Leave Accrual £'000	FRS102 USS Pension Provision £'000	2017 £'000
Salaries and wages	54,067	207	-	54,274
Social security costs	5,323	20	-	5,343
Movement on USS provision	-	-	(388)	(388)
Other pension costs	9,755	33	-	9,788
Restructuring costs	368	-	-	368
	69,513	260	(388)	69,385

Significant FRS102 adjustments have been presented separately in the above table as additional information.

Emoluments of the Warden

	2018 £'000	2017 £'000
Warden's emoluments entitlement	260	257
Pension contribution to USS	12	46
	272	303
Amount deferred in 2016 (honorarium)	-	10
Amounts waived:		
Salary element	-	(22)
USS contribution element	-	(4)
	272	287

At its autumn 2015 meeting, the Remuneration Committee concluded that the Warden's remuneration should increase to £255,000 for the 2015-16 financial year and awarded a one-off honorarium of £10,000 to mark the end of his first term in office. The Warden indicated his wish to waive the salary increase (with the exception of the 1% pay rise awarded to all staff), and to defer receipt of the honorarium until the increase in tuition fee revenue was confirmed. The honorarium was subsequently paid to the Warden in 2016-17 and the amounts of salary waived were paid into the Student Hardship Fund in October 2016.

For the 2016-17 financial year, the Warden again expressed his wish to waive the 2015-16 pay increase proposed by the Remuneration Committee and the amounts of salary waived have been paid into the Student Hardship Fund in the 2017-18 financial year.

For 2017-18, the Warden accepted the pay award granted in 2015 (subject to standard pay rises received by all staff). The Warden left the defined benefit and defined contribution elements of the USS pension scheme but continues to make payments at a reduced rate in connection with death-in-service entitlements.

Justification of the Warden's remuneration

The Warden's salary is benchmarked against other Head of Institution roles in the Higher Education Sector using the UCEA senior staff salary survey.

Based on the UCEA Senior Staff Remuneration Survey 2017 the data below shows the position of the Warden's salary compared to the median (total pay) for relevant institutions and the sector as a whole.

All institutions	£252,291
All institutions by income (£100 to £160m)	£235,903
Pre-92 Universities by income (£100 to £160m)	£245,992
London and South East by income (£70 to £202m)	£264,448

Warden's pay ratio

The Warden's basic salary was 6.1 times the median basic pay of staff (2017: 6.0 times), where the median basic pay is calculated on a full-time equivalent basis for the salaries paid by Goldsmiths to its staff.

The Warden's total remuneration was 6.3 times the median total remuneration of staff (2017: 7.1 times), where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by Goldsmiths to its staff.

The full-time equivalent salary and total remuneration figures above have been prepared in accordance with the coverage requirements of the Higher Education Statistical Agency (HESA) Staff Record 2017-18. They include all staff for whom one or more contracts of employment between Goldsmiths and the individual exists and/or Goldsmiths has the liability to pay Class 1 National Insurance contributions for that individual, except for the following types of staff:

- Agency staff
- Self-employed staff
- Honorary contracts where the contract is not deemed to be a contract of employment
- Staff working for Goldsmiths through an intermediary, such as a personal service company, where Goldsmiths will be liable for secondary Class 1 National Insurance contributions
- Non-academic staff that are atypical staff.

Higher paid staff

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

	2018 number	2017 number
£100,000-£104,999	2	1
£105,000-£109,999	-	1
£110,000-£114,999	1	1
£115,000-£119,999	1	1
£120,000-£124,999	1	-

HESA defines atypical staff as those with contracts that:

- Are for less than four consecutive weeks – meaning that no statement of terms and conditions needs to be issued.
- Are for one-off/short-term tasks – for example answering phones during clearing, staging an exhibition, organising a conference. There is no mutual obligation between the work provider and working person beyond the given period of work or project. In some cases, individuals will be paid a fixed fee for the piece of work unrelated to hours/time spent.
- Involve work away from the supervision of the normal work provider – but not as part of teaching company schemes or for teaching and research supervision associated with the provision of distance learning education.
- Involve a high degree of flexibility often in a contract to work as-and-when required – for example conference catering, student ambassadors, student demonstrators.

Goldsmiths staff record systems are designed to comply with the data collection requirements of the Higher Education Statistical Agency and therefore we are not currently able to accurately determine the full-time equivalent salaries or total remuneration for staff that fall outside the scope of its coverage requirements.

Compensation for loss of office	2018 number	2018 £'000	2017 number	2017 £'000
<i>Compensation for loss of office recorded within staff costs was as follows:</i>				
Compensation for loss of office payable to senior post-holders and number of people to whom this was payable	-	-	2	126
Compensation for loss of office payable to other staff and number of people to whom this was payable	8	89	23	242
Compensation for loss of office payable to all staff and number of people to whom this was payable	8	89	25	368

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. Those staff members defined as key management personnel are listed on page 2. Staff costs includes compensation paid to key management personnel (excluding the Warden) as follows:

	2018 £'000	2017 £'000
Key management personnel compensation	867	894

Staff numbers

	2018 number	2017 number
Average staff numbers by major category:		
Teaching and research	637	608
Administrative and other	657	593
	1,294	1,201

7. Interest and other finance costs

	2018 £'000	2017 £'000
Loan interest	715	752
Finance lease interest	600	675
Net charge on pension schemes	1,057	999
	2,372	2,426

8. Gain on disposal of fixed assets

The gain on disposal of fixed assets of £484,000 in the year ended 31 July 2017 related to the sale of a residential property on the periphery of the College's campus. No such gains were recorded in the year ended 31 July 2018.

9. Analysis of Total Expenditure by Activity

	2018 £'000	2017 £'000
Academic departments' expenditure	46,316	42,209
Central academic services	20,230	16,482
Staff and student facilities	7,370	6,115
Student bursaries and scholarships	2,832	1,838
Other administration and central services	17,658	16,530
Premises	18,183	17,291
Residences, catering and conferences	9,159	9,209
Research grants and contracts	3,088	3,562
Pension provisions movements	1,697	1,565
Other expenses	158	256
Total	126,691	115,057
Other operating expenses include:		
External auditors' remuneration in respect of audit of financial statements	55	53
External auditors' remuneration in respect of other audit services	39	6
Operating lease rentals (land and buildings)	4,576	5,244

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.

A charge was made in the year ended 31 July 2017 in relation to a Research and Development Expenditure credit claim made during the year (see note 3). The 2018 charge was £nil (2017: £63,000).

11. Intangible fixed assets

	Software installed £'000	Software under commissioning £'000	Total £'000
Gross Book Value			
At 1 August 2017	9,309	1,606	10,915
Additions in year	11	80	91
Transfer assets on commissioning	1,544	(1,544)	-
At 31 July 2018	10,864	142	11,006
Amortisation			
At 1 August 2017	4,053	-	4,053
Charge for year	1,864	-	1,864
At 31 July 2018	5,917	-	5,917
Net Book Value			
At 1 August 2017	5,256	1,606	6,862
At 31 July 2018	4,947	142	5,089

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 and buildings			Fixtures, Fittings and Equipment	Assets in the course of construction	Total
	Freehold	Assets held under finance leases	Other Leasehold land and buildings			
	£'000	£'000	£'000			
Gross Book Value						
At 1 August 2017	175,517	10,833	6,687	14,912	6,356	214,305
Additions in year	6,996	400	2,365	4,033	342	14,136
Transfers from/(to) assets under construction	3,398	716	1,442	765	(6,321)	-
At 31 July 2018	185,911	11,949	10,494	19,710	377	228,441
Depreciation						
At 1 August 2017	54,136	8,371	728	8,823	-	72,058
Charge for year	5,692	843	372	2,120	-	9,027
At 31 July 2018	59,828	9,214	1,100	10,943	-	81,085
Net Book Value						
At 1 August 2017	121,381	2,462	5,959	6,089	6,356	142,247
At 31 July 2018	126,083	2,735	9,394	8,767	377	147,356

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

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

Included in Fixtures, Fittings and Equipment are indefinite life assets of £23,000.

13. Non-current asset investments

	Endowments £'000	Other investments £'000	Total £'000
At 1 August 2017	2,353	28	2,381
Additions	52	-	52
Gain in market value	80	-	80
At 31 July 2018	2,485	28	2,513

Endowment investments represent permanent endowment funds that are invested with Goldsmiths' fund managers, CCLA, in pooled equity and fixed interest investments.

Other non-current asset investments are shown at cost and represent 240 £1 shares in i2 Media 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 Council's opinion, the market value of the investment is not materially different from the cost at the balance sheet date. A 25% interest in Museifi Limited, a spin-out from the Department of Computing, is carried at £nil.

Goldsmiths has two 100%-owned subsidiary companies:

- **Pure Goldsmiths Ltd.** This company was dormant at 31 July 2018.
- **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 2018 was £68,000. The company has taken its entitlement to exemption from audit under Section 477 of the Companies Act 2006 relating to small companies.

14. Trade and other receivables

	2018 £'000	2017 £'000
Amounts falling due within one year:		
Research grants receivables	1,865	3,139
Student receivables	1,207	1,654
Other receivables	859	1,140
Prepayments and accrued income	3,249	3,267
	7,180	9,200

The overall bad debt charge for the year ended 31 July 2018 was £1.0 million (2017: £0.6 million).

15. Cash and cash equivalents

	2018 £'000	2017 £'000
Bank balances related to unrestricted funds	25,871	29,030
Bank balances related to endowment funds	805	909
	26,676	29,939

16. Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Unsecured loans	586	768
Obligations under finance lease	1,103	962
Trade payables	1,854	778
Deferred capital grants	-	2,169
Social security and other taxation payable	1,602	1,550
Accruals and deferred income	17,619	16,681
Other creditors	1,544	2,629
	24,308	25,537

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

Deferred income:		
Receipts in advance – tuition and hall fees	3,153	4,037
Research grants and contracts	1,891	3,225
Other deferred income	3,258	2,144
Amounts due to Funding Councils	522	399
	8,824	9,805

Included in deferred capital grants of £2.169 million as at 31 July 2017 was £1.822 million related to donations received in connection with the funding of the Goldsmiths Centre for Contemporary Art. The performance condition for the recognition of the donation income was the completion of the construction of the gallery space. As this was achieved prior to 31 July 2018, the income has been recognised in the Statement of Comprehensive Income and Expenditure for the year ended 31 July 2018.



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

	2018 £'000	2017 £'000
Unsecured loans	13,732	14,325
Obligations under finance lease (note 21)	4,587	5,690
Deferred income	11,904	12,164
	30,223	32,179
Analysis of unsecured loans:		
Due within one year (note 16)	586	768
Due between one and two years	598	586
Due between two and five years	1,865	1,828
Due in five years or more	11,271	11,911
Due after more than one year	13,734	14,325
Total unsecured loans	14,320	15,093

Included in unsecured loans are the following:

Lender	Year of inception	Original amount £'000	Original terms years	Term remaining years	Interest rate %	Total outstanding £'000
Lloyds Bank (fixed rate)	2006	6,850	30	18	4.980	5,494
Lloyds Bank (variable – base rate plus 0.2%)	2009	2,150	28	18	0.700	1,498
Royal Bank of Scotland (fixed rate)	2010	10,000	30	21	5.735	7,328
						14,320

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

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

Deferred income relates to operating lease payments received in advance for the granting of a 50-year leasehold interest to Campus Living Villages.

18. Provisions for liabilities

	Movements in year				As at 31 July 2018
	As at 1 August 2017	Released	Added	Utilised	
	£'000	£'000	£'000	£'000	£'000
Staff restructuring	126	(73)	39	(54)	38
Other	957	(719)	1,198	(44)	1,392
	1,083	(792)	1,237	(98)	1,430

As at 31 July 2018, the provisions held principally reflect:

Staff restructuring

Costs associated with various departmental restructuring initiatives that are expected to be completed during the 2018-19 financial year.

Other provisions

Other provisions comprises: (i) amounts in respect of contractual disputes with third party suppliers which are calculated by reference to current legal advice and an assessment made of the progress of negotiations; and (ii) a number of individually immaterial liabilities including appeals and complaints. The timeframe for utilisation varies by individual item. Where resolution of a matter is dependent on commercial negotiations, a degree of estimation uncertainty inevitably arises.

19. Endowment reserves

	Restricted Permanent Endowments	Restricted Expendable Endowments	2018 Total	2017 Total
	£'000	£'000	£'000	£'000
Balance at 1 August 2017				
Capital	2,316	563	2,879	2,721
Accumulated income	309	74	383	382
	2,625	637	3,262	3,103
New endowments	-	49	49	129
Investment income	80	2	82	88
Expenditure	(34)	(148)	(182)	(144)
Increase in market value of investments	80	-	80	86
	2,751	540	3,291	3,262
Balance at 31 July 2018				
Represented by:				
Capital	2,427	456	2,883	2,879
Accumulated income	324	84	408	383
Total	2,751	540	3,291	3,262
Analysis by type of purpose:				
Lectureships			1,683	1,613
Scholarships and bursaries			220	215
Research support			16	17
Prize funds			68	68
General			1,304	1,349
			3,291	3,262
Analysis by asset:				
Non-current asset investments			2,486	2,353
Cash and cash equivalents			805	909
			3,291	3,262

20. Capital and other commitments

Provision has not been made for the following capital commitments related to property, plant and equipment at 31 July 2018:

	2018 £'000	2017 £'000
Capital commitments contracted as at 31 July 2018	5,083	4,454
	5,083	4,454

21. Lease obligations

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

	31 July 2018			31 July 2017		
	Operating leases	Finance lease	Total	Operating leases	Finance lease	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Payable during the year	4,576	1,562	6,138	5,244	1,509	6,753
Future minimum lease payments due:						
Not later than 1 year	4,551	1,616	6,167	4,642	1,562	6,204
Later than 1 year and not later than 5 years	8,826	5,496	14,322	9,271	6,812	16,083
Later than 5 years	6,440	-	6,440	8,013	300	8,313
Total lease payments due	19,817	7,112	26,929	21,926	8,674	30,600

22. Events after the Reporting Period

No material events have occurred after the end of the reporting period.

23. Pension schemes

	2018 LPFA £'000	2018 USS £'000	2018 Total £'000	2017 Total £'000
Opening balance as at 1 August	31,019	13,138	44,157	45,014
Amounts charged to staff costs:				
LPFA current service cost	3,583	-	3,583	2,870
Net movement on USS provision (excluding interest charges)	-	(856)	(856)	(388)
	3,583	(856)	2,727	2,482
Amounts charged to interest	808	249	1,057	999
Actuarial loss/(gain)	(6,053)	-	(6,053)	(2,422)
Other movements (principally LPFA employer contributions)	(2,087)	-	(2,087)	(1,916)
Closing balance as at 31 July	27,270	12,531	39,801	44,157

Note that 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 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 schemes are defined benefit schemes which 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

The total released to the Statement of Comprehensive Income and Expenditure is £0.607 million (in 2017 there was a release of £0.157 million) as shown in *notes 6 and 7*. There was neither a prepayment nor an accrual at the end of the financial year in respect of these contributions.

The latest available full actuarial valuation of the Retirement Income Builder section of the Scheme was at 31 March 2014 ('the valuation date'), which was carried out using the projected unit method. The valuation as at 31 March 2017 is under way. 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 scheme as a whole.

The 2014 valuation was the third valuation for USS 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 was £41.6 billion and the value of the scheme's technical provisions was £46.9 billion indicating a shortfall of £5.3 billion.

Defined Benefit liability numbers for the scheme have been produced using the following assumptions:

	2018	2017
Discount rate	2.64%	2.57%
Pensionable salary growth	n/a	n/a
Pension increase (CPI)	2.02%	2.41%

The main demographic assumption used relates to the mortality assumptions. These assumptions have been updated for the 31 March 2018 accounting position, based on updated analysis of the Scheme's experience carried out as part of the 2017 actuarial valuation. The mortality assumptions used in these figures are as follows:

	2018	2017
Mortality base table	Pre-retirement: 71% of AMCOO (duration 0) for males and 112% of AFCOO (duration 0) for females.	98% of SAPS S1NA 'light' YOB unadjusted for males
	Post-retirement: 96.5% of SAPS S1NMA 'light' for males and 101.3% of RFV00 for females	99% of SAPS S1NA 'light' YOB with a -1 year adjustment for females
Future improvements to mortality	CMI_2016 with a smoothing parameter of 8.5 and a long-term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females	CMI_2014a long-term rate of 1.5% p.a.

The current life expectancies on retirement at age 65 are:

	2018	2017
Males currently aged 65 (years)	24.5	24.4
Females currently aged 65 (years)	26.0	26.6
Males currently aged 45 (years)	26.5	26.5
Females currently aged 45 (years)	27.8	29.0
	2018	2017
Scheme assets	£63.6bn	£60.0bn
Total scheme liabilities	£72.0bn	£77.5bn
FRS102 total scheme deficit	£8.4bn	£17.5bn
FRS102 total funding level	88%	77%

Whilst Goldsmiths cannot identify its share of the Retirement Income Builder section of the Scheme assets and liabilities it has, as part of the Scheme's Deficit Recovery Plan as initially agreed in 2015 and then as updated in 2016, been able to identify its share of the shortfall in the total Scheme and has created an accounting provision.

This provision is reviewed and updated annually. The key determinants of changes in the Provision in addition to current actual cost are:

1. **High quality Corporate Bond discount rate:** Goldsmiths has obtained advice from a firm of actuaries and having considered this as being reasonable incorporated the relevant rates in its own calculations.
2. **Future staff and pay growth:** The assumptions used here are aligned with Goldsmiths HESA regulatory returns and also with its own the Strategic plan.

The total year end provision is expected to reverse over the remaining period of the Plan up to and including 2031 and offset the agreed additional annual charges which will be reflected as part of Staff Costs. This is however contingent on future changes in the discount rate and also future changes to staff numbers and pay rates, in addition to any changes relating to the deficit on the Scheme nationally.

The table on the next page summarises the movements on the USS Provision since its first creation in 2014. The expense for the year ending 31 July 2015 reflects the change in the initial agreement whereby the total deficit on the scheme nationally and consequently Goldsmiths' exposure increased. The 2016 expense mainly reflected the lower discount rates experienced in that year which increased future costs. The 2017 and 2018 reductions in expense reflect a reversal of provision, with the discount rate stabilising in the year.

	2018 £'000	2017 £'000	2016 £'000	2015 £'000	2014 £'000
Opening balance	13,138	13,295	11,880	6,404	-
Net charge to staff costs after deducting contributions	(856)	(388)	1,059	5,324	6,404
Charge to interest	249	231	356	152	-
Closing balance	12,531	13,138	13,295	11,880	6,404

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 formal valuation of the fund was at 31 March 2016.

In order to assess the Employer liabilities at 31 July 2018, the 31 March 2016 funding valuation liabilities have been rolled forward using financial assumptions that comply with FRS102.

Life expectancy assumptions are:

	2018	2017
Males retiring today	21.0	20.9
Females retiring today	24.3	24.2
Males retiring in 20 years	23.4	23.3
Females retiring in 20 years	26.5	26.4

Financial assumptions are:

	2018	2017
Discount rate	2.7%	2.7%
Pension increase	2.4%	2.7%
Salary increase	3.9%	4.2%

Assets

The return on the Fund (on a bid-to-bid value basis) for the year to 31 July 2018 is estimated to have been 6% (2017: 15%) The actual return on fund assets over the year may be different. The estimated asset allocation for Goldsmiths College at 31 July 2018 is as follows:

Asset breakdown	2018		2017	
	£'000	%	£'000	%
Equities	27,286	61	25,205	61
Target Return Portfolio	9,962	22	8,528	21
Infrastructure	2,238	5	1,853	5
Property	3,455	8	2,678	6
Cash	2,064	4	2,850	7
Total	45,005	100	41,114	100

History of experience gains and losses

	31 July 2018 £'000	31 July 2017 £'000	31 July 2016 £'000	31 July 2015 £'000
Difference between actual and expected return on assets (amount by which actual less than expected)	1,404	4,383	523	94
% of assets at end of year	3.1%	10.7%	1.5%	0.3%
Experience gains/(losses) on fund liabilities	-	890	(3)	(5)
% of liabilities at end of year	0.0%	-1.2%	0.0%	0.0%

The following results were measured in accordance with the requirements of FRS102

Statement of actuarial gains and losses

	Present value of defined benefit obligation		Fair value of scheme assets		Net liability recognised in the balance sheet	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Opening as at 1 August	(72,133)	(65,850)	41,114	34,131	(31,019)	(31,719)
Current service cost	(3,583)	(2,870)	-	-	(3,583)	(2,870)
Interest on assets	-	-	1,129	865	1,129	865
Interest on liabilities	(1,937)	(1,633)	-	-	(1,937)	(1,633)
Return on fund assets in excess of interest	-	-	1,404	4,383	1,404	4,383
Experience gain/(loss) on defined benefit obligations	-	890	-	-	-	890
Changes in financial assumptions	4,649	(4,608)	-	-	4,649	(4,608)
Changes in demographic assumptions	-	936	-	-	-	936
Other actuarial gains	-	-	-	821	-	821
Estimated unfunded benefits paid	25	25	-	-	25	25
Contributions by members	(628)	(568)	628	568	-	-
Contributions by employer	-	-	2,141	1,960	2,141	1,960
Estimated benefits paid	1,333	1,545	(1,358)	(1,570)	(25)	(25)
Administration costs	-	-	(53)	(44)	(53)	(44)
Closing defined benefit obligation as at 31 July	(72,274)	(72,133)	45,005	41,114	(27,269)	(31,019)

	31 July 2018 £'000	31 July 2017 £'000
Analysis of the amount shown in the balance sheet		
Scheme assets	45,005	41,114
Scheme liabilities	(72,274)	(72,133)
Deficit in the scheme – net liability recorded within pension provisions	(27,269)	(31,019)
	2018 £'000	2017 £'000
Analysis of the amount charged to staff costs		
Current service costs	3,583	2,870
Total operating charge	3,583	2,870
Analysis of amount charged to interest payable		
Expected return on pension scheme assets (gain)	(1,129)	(865)
Interest on pension scheme liabilities	1,937	1,633
Net charge to interest and other finance costs	808	768
Total charge to expenditure	4,391	3,638
Analysis of actuarial gain/(loss) in respect of pension schemes		
Return on fund assets in excess of interest	1,404	4,383
Experience gain/(loss) on liabilities	-	890
Loss on liabilities	4,649	(4,608)
Changes in demographic assumptions	-	936
Other actuarial gains	-	821
Actuarial gain/(loss) in respect of pension scheme	6,053	2,422
	2019 £'000	
Projected pension expense for the following year		
Service cost	3,266	
Administration	59	
Net interest on liability/(asset)	694	
Net charge	4,019	

24. Related-party transactions

Goldsmiths' Council members are the trustees for charitable law purposes. Due to the nature of Goldsmiths' operations and the compositions of the Council being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Council may have an interest. Excluding transactions with the parties disclosed below, there are no transactions of which Goldsmiths is aware, but any such transactions involving organisations in which a member of Council may have an interest, including those identified below, are conducted at arm's length and in accordance with Goldsmiths' Financial Regulations and usual procurement procedures.

The President of Goldsmiths' Students' Union is a trustee of both Goldsmiths' College and Goldsmiths Students' Union. In 2017-18 Goldsmiths provided the Students' Union with a grant and support totalling £1.334 million. It also provided postage and telephony services and some small items of equipment at cost. In addition, Goldsmiths provided accommodation and use of the IT network to the Students' Union free of charge, at an estimated cost of £0.5 million.

Council member Sir David Reddaway was Chief Executive and Clerk to the Goldsmiths' Company during the 2017-18 financial year. In 2017-18 the Goldsmiths Company pledged £215,090 over three years towards the appointment of a curator to Goldsmiths Centre for Contemporary Art. The first payment, totalling £71,617, was received on 31 August 2018. There were no other transactions with the Goldsmiths' Company in the year ended 31 July 2018.

Council member Dr Barry Quirk was the Chief Executive of Lewisham Council until 11 September 2017. In 2017-18 Goldsmiths paid £649,000 to Lewisham Council for business rates and other local services.

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 £5,027 (2017: £76). This represents travel and subsistence expenses incurred in attending Council, Committee meetings and Charity events in their official capacity.

Included within the financial statements is £51,247 of income from the wholly-owned subsidiary, Goldsmiths Accommodation Services Limited. There was no related expenditure, and the annual profit from the subsidiary is gifted to Goldsmiths under a deed of covenant. The subsidiary had creditors on 31 July 2018 of £67,613 and it had debtors of £67,626. The outstanding debt was paid in full on 20 August 2018.

The wholly-owned subsidiary, Pure Goldsmiths Limited, was dormant at 31 July 2018 and there have been no transactions with this subsidiary in the year to 31 July 2018.

Goldsmiths holds a 24% interest in i2 Media Limited, a media research and consultancy organisation that is a spin-out from its Department of Psychology. During the year, payments of £166,410 were receivable from i2 Media in respect of rental income and other fees, of which £nil was paid during 2017-18 and £166,410 was outstanding as at 31 July 2018.

Goldsmiths also holds a 25% interest in Museifi Limited, a media software provider that is a spin-out from the Department of Computing. No payments were receivable from Museifi in the year ended 31 July 2018.

Goldsmiths has no connected charitable institutions.

25. Access Funds from Funding Bodies

	2018 £'000	2017 £'000
(a) Access to Learning Fund		
Balance at 1 August	-	34
Disbursed to students and administration	-	(34)
Balance at 31 July	-	-
(b) Department for Education Teacher Training Bursaries (formerly NCTL)		
Balance at 1 August	126	(16)
Grant received from Department for Education	1,992	2,300
Disbursed to trainees	(1,924)	(2,158)
Balance at 31 July	194	126

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





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