



**UNIVERSITY
OF LONDON**

Financial Statements

2020–2021

london.ac.uk

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Introduction to the University of London

Our aim:

“ To enrich our academic work in the pursuit of excellence in education, research and knowledge exchange through collaboration with our Member Institutions; developing academic programmes, networks and partnerships that further our federation’s goals across London, the UK and internationally.

”

The University of London offers students around the world life-changing access to education – whoever and wherever they are – and has been providing an ‘education for all’ since it was established by Royal Charter in 1836.

With a mission to transform lives through knowledge, the University brings benefits to society through its research in the humanities and connects enquiring minds across the world through public engagement – transcending geographic, social and cultural barriers.

At its heart is collaboration: the University is a federation of 17 excellent London-based Member Institutions. From this exceptional foundation of knowledge, the University delivers globally respected academic programmes through flexible and distance learning, changing the lives and future prospects of hundreds of thousands of people.



Foreword from the Vice-Chancellor

The last two years have been like no others in living memory. They have seen us challenged on a personal, institutional, national and global level. We have all had to change and adapt to how we do things, and reconsider what we thought we knew.

I have been incredibly proud of both our resilience and our agile response. We set up a centre to help increase the availability of COVID-19 tests for students; we provided financial assistance to those staying in our halls; we gave advice and support to those studying around the world. We have played our part with energy and compassion.

Last autumn we published our new five-year Strategy, Transforming Education...Creating Futures. It sets out our academic vision for the digital age to transform lives and society, working with our Member Institutions, to increase the number of students around the world who benefit from our distance learning courses, to further strengthen our academic reputation and reach especially in the arts and humanities, and to develop the organisational skills and capacities to ensure we are fit for the future.

Our social contribution lies at the heart of our mission as a university. This year we have made our civic role a priority, supporting London's post-pandemic recovery through signing up to the London Anchor Institutions Charter. We have also launched the London Research and Policy Partnership, with the Greater London Authority, London Councils and Capabilities in Academic-Policy Engagement (CAPE). This is a ground-breaking initiative to develop closer and creative connections between the policy challenges facing London and the rich research resource to be channelled from across London's universities.

We have launched nine new courses in partnership with our Member Institutions over the past year. These fully online degrees offer the flexibility, convenience and affordability that our 51,000 distance learning students

value so highly. Key initiatives, such as the 'Care Leavers Guarantee', student hardship grants, and careers advice are supporting our students to achieve their full potential while providing more inclusive access to everyone.

Our research continues to shape intellectual and public debates, advocating for the importance of the humanities in boosting social cohesion and wellbeing.

One such initiative is the Refugee Law Clinic, which brings together expertise from across the University and its Member Institutions to provide access to legal support for some of the most vulnerable members of society.

Preparing for the future, we have taken steps to transform our organisation to achieve our target operating model through the internal consolidation of teams, review and updating of systems and processes and the introduction of new organisational design principles. In addition, we have taken steps to ensure that the recurring cost base of the University is sustainable and we now have the financial headroom and cash reserves to enable us deliver the ambitious plans set out in our five-year Strategy.

I am incredibly proud of what we have achieved over the past year. We have delivered our objectives, and we continue to harness the strengths of our global networks – our students, our academics, our partners, our Member Institutions and our alumni – to enable social good and transform lives through education.

Professor Wendy Thomson CBE
Vice-Chancellor, University of London

The University Executive



Vice-Chancellor
Professor Wendy Thomson CBE



Deputy Vice-Chancellor
Professor Paul Layzell



Chief Financial Officer
Rita Akushie



**University Secretary and
Director of Legal**
John Stewart



**Pro Vice-Chancellor
(Strategy, Planning
and Partnerships)**
Dr Ghazwa Alwani-Starr
(to September 2021)



**Pro Vice-Chancellor
(International, Learning
and Teaching)**
Professor Mary Stiasny



**Pro Vice-Chancellor
(Research and Engagement)**
Professor Jo Fox
(since November 2020)

The University in Numbers

Key statistics for 2020–2021

Over
51,000
Students
(Worldwide, SAS & ULIP)



9
New courses launched
(2020–2021)



Over
100,000
Assessments
done



100+
Recognised Teaching
Centres across the world




Students from
190
Countries

3,700
Student rooms
available



150
Years of Senate
House Library



100
Years of the Institute of
Historical Research



40th
Anniversary of HRH
Princess Anne as Chancellor



And the award goes to...



The University's Residential Services team received the Student Accommodation 'University Team of the Year' Award 2020. The Award is testament to the support provided to residents across the University's Intercollegiate Halls of Residence. This included the work we carried out under the Safe to Stay initiative in response to the COVID-19 pandemic, and the Residential Life team's work to break down the barriers that students face when entering higher education, through the Care Leaver and Estranged Student scholarships.

Judges praised the Residential Services team's innovative approach to protecting residents' mental health during the COVID-19 pandemic and also applauded the targeted additional support that was given to the most vulnerable groups of students.

Oarsome rowers go for gold



Five members of the University of London Boat Club (ULBC) were named in the British Olympic rowing team and competed in Tokyo this year. The ULBC is the elite rowing programme for student-athletes across all of our Member Institutions. Ollie Cook (LSE), Matilda Horn, Sara Parfett (King's), Charlotte Hodgkins-Byrne (Royal Holloway) and Emily Craig (The Courtauld Institute) all joined Team GB.

ULBC crews also won the Prince Albert Challenge Cup at the Royal Henley Regatta. A composite crew from ULBC and the University of Cambridge won the regatta's Stonor Challenge Trophy.



Customer Service Excellence



We are pleased to have once again achieved the Customer Service Excellence (CSE) Kitemark Award for our services to students. This was first awarded to us in 2017, and is reviewed every three years. The official Assessment Report noted that University of London was "found to have a deep understanding of, and commitment to, Customer Service Excellence. The commitment was displayed from Senior Management levels through to operations and front-line staff".

The Assessment identified a number of areas of Good Practice and two areas of Compliance Plus – the first relating to the expansion of our library customer journey maps, the second relating to the development of our Student Experience Virtual Learning platform, which tracks student engagement.

Professor Mary Stiasny said: "We would like to congratulate all of our colleagues who were involved in achieving this Award – this fantastic result represents a team effort of which we can be extremely proud."

Make Yourself At Home



Our #MakeYourselfAtHome campaign won the Edurank Award 2020 for Best Campaign Promoting International Study and won Gold in the 'Best Brand/Reputation Campaign' at the 2021 Heist Awards.

Launched during the pandemic, the campaign promoted the University's position as a trusted provider of distance and flexible learning for over 160 years – with courses developed by world experts at the University of London's renowned Member Institutions. It was designed to raise awareness of our online programmes and to generate enrolments.

The campaign highlighted our free Massive Open Online Courses (MOOCs), individual modules and postgraduate programmes, all of which can be studied anywhere in the world, from the comfort of your own home.

Strategy 2020–2025

Our three strategic objectives build on the mission and core values set out in our new Strategy, leading the way to a positive future

1

Furthering our position as the UK's leading provider of distance learning worldwide delivering cutting-edge programmes, to increased numbers of people who can benefit most from education.

2

Stimulating innovative intellectual exchange and effective public engagement, drawing on our expertise across the University in the humanities, distance learning, careers and employability, and inclusivity/widening access.

3

Developing and continuously adapting our organisation and capacity, we will continue to lead and innovate across the sector so that together we can transform lives through education and embody the university of the future.

Launched in late 2020, the five-year Strategy has a core aim:

“

To enrich our academic work in the pursuit of excellence in education, research and knowledge exchange through collaboration with our Member Institutions; developing academic programmes, networks and partnerships that further our federation's goals across London, the UK and internationally.

”

Our new Strategy represents our academic vision for the digital age and is the distillation of a huge amount of work by senior colleagues across the University of London federation and with other stakeholders. This could only be developed with the interest and support of our partners, and we can only deliver it with their collaboration.

It provides the University of London with a sound foundation for our ambitions to grow our distance learning student numbers globally and further strengthen our academic leadership, especially in arts and humanities.

We are already working on strategic partnerships with some Member

Institutions to accelerate the development of new and innovative programmes. Initiatives such as our federation-wide 'Access Commitment' and our 'Care Leavers Guarantee' will support our commitment to enabling better attainment and more inclusive access to higher education, a feature of our University since its inception.

And we will support the people and communities of London through our work as an anchor institution in the capital, working with partners and as a federation. All this will continue to guide our work, as will our commitment to play our part in creating an environmentally sustainable future for all.







Our Students

Our Students

1,000

The halls remained open throughout the pandemic for 1,000 students, with tailored support available for those in isolation or travel quarantine.

New courses

The shift to online learning for the vast majority of institutions has seen a change in the way students access their learning. The University of London's online courses are perfectly placed to offer high-quality, affordable, accessible, flexible and career-relevant education to learners all around the world.

Over the past year we have invested in new academic programmes. We have also maintained the relevance and currency of existing programmes in key areas to support our distance learning activities.

Recently launched online degree programmes include an MSc Data Science (with Goldsmiths), a BSc Psychology (with King's) and an MSc Marketing (with Birkbeck). These fully online degrees offer the same quality of degree as students would find on campus, but with the flexibility, convenience and affordability that our distance learning students value so highly. We also launched new modules for our MSc Supply Chain Management and Global Logistics (with City), our Global MBA Health Pathway (with UCL) and our popular BSc Computer Science programme (with Goldsmiths, via the Coursera platform).

Our new University Strategy articulates our ambitious vision for our distance learning activity, and we are launching more new online degree programmes in the coming year.

“

Interest had been steadily growing in our world-class online degrees, but the sudden shift of almost all university education from campus to online has lit a blue touchpaper.

” *Sam Brenton, Director of Online Education*

Support for our students

The University of London Intercollegiate Halls of Residence provide accommodation to 3,700 students from across our 17 Member Institutions, with our dedicated Residential Life team working hard to support them.

The halls remained open throughout the pandemic for more than 1,000 students, with tailored support available for those in isolation or travel quarantine. This included practicalities such as meal deliveries and laundry, as well as important welfare and mental health support.



During lockdown, weekly calendars with fitness, mindfulness and yoga classes were introduced for students in halls, as well as virtual activities-based sessions for those self-isolating, and our wardens were always on hand to support students when they needed it.

Testing, testing, 1, 2, 3...18,000!!

The University of London and its Member Institutions supported the Government's plans to reduce the risk of spreading the virus by setting up a lateral flow testing facility for our students. This saw more than 18,000 tests conducted before and after Christmas, to allow students to travel home safely. #SafeToStay

Encouraging entrepreneurs

The Careers Group continues to support innovative ways of engaging students with the rapidly changing world of work.

An entrepreneurial mindset will be key to success for graduates whether in employment, freelancing or setting up their own businesses, and our fifth annual GradVenture pitching competition showcased those skills. The theme of the event, which is organised by The Careers Group and our partners Seven Hills, was 'Building Community and Supporting Wellbeing'.

GrandNanny, an intergenerational childcare provider that connects communities, won the £4,000 top prize. The judges loved the way in which it solved not just one but two real social needs – loneliness and childcare – and praised the business for its 'strong values, social conscience and a genuinely practical business model'.

Sojo, a delivery service for clothing and repairs, won the £2,000 runner-up prize, while Baby Blues, an innovative app that helps connect women and makes mental health care accessible to every mother in the UK, was voted the audience favourite.

The Careers Group

The Careers Group's research unit is helping to address strategic and policy needs for successful careers service delivery. These included projects such as 'Graduate Outcomes: The National Picture', 'Access and Participation Plans and Careers and Employability Services' and 'Responding to the Impact of COVID-19 on the Graduate Labour Market'.

Many of our students from across the University of London federation also took advantage of 'Internship Experience UK', a programme of virtual internships curated by Bright Network in response to the challenges brought about by the pandemic. The scheme brings together leading employers and top educators for a series of three-day virtual experiences. Several of our distance learning students who completed an internship were offered full-time roles upon completion of their degree. We will continue to grow this programme, with plans to expand it into Europe and further across Asia.

University of London Institute in Paris (ULIP)

In 2020 ULIP and the School of Advanced Study (SAS) registered the first student to embark on the new Paris-based route towards a University of London PhD. Further ULIP-SAS PhD projects are now also getting underway, reflecting the transnational perspectives that support this new structure for postgraduate research. This will allow students to draw on the combined expertise of ULIP supervisors, the research training support offered by SAS and the combined library and database resources of London and Paris.

Over the last three years ULIP has also expanded and diversified its undergraduate curriculum, adding International Politics to French Studies and creating a new and exciting interdisciplinary approach. This has proved attractive to students, with student numbers increasing by 77 per cent in this period. 2021 is the first year British students have had to secure a study visa to attend ULIP, but the extra administration has not been a barrier to those students who aspire to study and work in Europe and the world beyond.

Supporting our students in financial need

Our mission is to transform lives through education, driven by our commitment to diversity, inclusion and access. By removing the barriers to study, we ensure that more students around the world benefit from an education.

Throughout 2020 and 2021, our students were faced with unique and significant challenges. The pandemic has had a profound impact on many students' personal and financial circumstances, in some cases creating a significant barrier to being able to continue with their studies. In particular, the University has seen a rise in the number of current and prospective students who needed financial help. With the support of alumni, friends and organisations, our students benefit from a world-class education and can use their degrees to make a positive impact on their lives and communities.





Research and Public Engagement

Research and Public Engagement

The School of Advanced Study (SAS)

SAS plays a national role in supporting, facilitating and amplifying research in the UK in the humanities. SAS received an additional £500,000 grant from Research England to assist it in creating new initiatives to aid researchers across the UK to build back after the pandemic. SAS's new strategy outlines how it will do this, in recognition of how much the research environment has changed over the past two years.

The importance of the humanities to understanding who and where we are, the history of how we arrived here and our systems of culture and belief has never been greater. The strategy will help deliver the urgent need to explain, justify and demonstrate the humanities' role in the UK economy and society, both to policymakers and to the public.

Being Human

SAS's Being Human Festival is the UK's only festival of the humanities. It is led by SAS in partnership with the Arts and Humanities Research Council and the British Academy, and serves as a national forum for public engagement with humanities research, highlighting the ways in which the humanities can inspire and enrich our everyday lives.

In 2020 the Festival took place online, with the theme of 'New Worlds', with more than 74,000 visitors to the Being Human website and 220,000

unique page visits. We hosted dedicated masterclasses for event organisers about promoting their events online, with more than 350 people attending, and hosted our own central events with speakers including David Olusoga and Bonnie Greer.


In 2021 our theme is 'Renewal', with 225 online and in-person events taking place in November, and festival hubs in Coventry, Glasgow, Lincoln and Swansea.

Library Transformation Programme

The Library Transformation Programme will transform the University's libraries, enabling them to play their part in delivering the University Strategy 2020–2025. It will define their collective role as world-leading research libraries, integrated into the University's academic mission and activities, and all recognised as nationally significant.

They will provide an attractive and vibrant library service at the heart of the federal University, valued by its members and playing a full part within the capital's provision.

It is envisaged that the Programme will fall into six interrelated strands: Digital Curation, Access and Engagement; Collection Management and Development; Space Management and Development; Storage; Financial Sustainability; and Leadership and governance.



To mark COP26, one of our Being Human events in Glasgow has been made possible thanks to special support from UK Research and Innovation and the Arts and Humanities Research Council and will have a contemporary take on a long-established tradition through its creation of 'The Bothy' (a basic shelter, usually found in remote, mountainous areas and usually left unlocked and available for anyone to use free of charge).

'The Bothy' is imagined as a cultural hub and a civic refuge – both real and conceptual – through which to host a range of events and exchanges on the environment and climate change. Using these encounters, researchers will demonstrate the vital role of the humanities in addressing the climate emergency and, in collaboration with the city, activate the legacy of COP26.

“

As an anchor institution, we pledge through this work to begin to redress the deep structural inequalities that the pandemic has exposed.

”



Bringing London back to life

In March 2021 the University signed up to the London Mayor's London Anchor Institutions Charter. The Charter is a commitment from key anchor institutions in London to work together to help deliver activity that can help meet the grand challenge set out by the London Recovery Board: to restore confidence in the city, minimise the impacts on communities, and rebuild the city's economy and society.

As an anchor institution, we pledge through this work to begin to redress the deep structural inequalities that the pandemic has exposed. We will endeavour to undertake work that can meet the five key objectives agreed by the London Recovery Board.

These are to:

- reverse the pattern of rising unemployment and lost economic growth caused by the economic scarring of COVID-19
- narrow social, economic and health inequalities
- help young people to flourish with access to support and opportunities
- support our communities, including those most impacted by the virus
- accelerate the delivery of a cleaner, greener London.

Our role in gender equality

The University of London is committed to gender equality and is proud of the role it has played in opening higher education to women. Today, the University's staff is nearly 60% female.

We continue to work hard to ensure an inclusive environment that supports academic and professional women, and we are a signatory to the Athena Swan Charter, a global framework that is transforming gender equality within higher education and research.

The University's Athena Swan Self-Assessment Team is chaired by Professor Mary Stiasny. Over the past year, progress has been made on collating gender equality data, analysing it and defining thematic areas where further action is needed. This work will be taken forward through the development of a gender equality plan that includes actions in areas such as recruitment and selection, career development, inclusive policies and working practices. As work on the plan is taken forward, colleagues across the organisation will have the opportunity to engage with and support gender equality initiatives.

Did you know?

- In 1868 the University of London offered courses to women, the first time in Britain that women had access to university education.
- In 1878 the University obtained a Charter to allow women to sit exams on an equal footing with men, with the first exams taken in 1879.
- In 1900 it was the first university to appoint a female lecturer: English literary critic Caroline Spurgeon became the first female university professor.
- In 1948 Dame Lillian Penson was appointed as the first female vice-chancellor in any university within the Commonwealth.



‘Localities of Welcome in Hostile Times’

The University of London Institute in Paris (ULIP), in collaboration with Goldsmiths, has launched a new network linking researchers and activists engaged in promoting welcoming neighbourhoods across Europe. Both institutions have contributed to key research in this area, as well as led work with their own local refugee communities.

The project is characterised by an effort to bridge the boundaries between academic exploration and activist engagement, seeking to promote and exchange information, discuss long-term strategies for welcoming and working with refugee communities and develop a critical framework of key research areas in this field. The project has linked up those in the UK with attendees in Serbia, Spain, Italy, France, Belgium, Greece, Croatia and Malta.

150 years of Senate House founding collections

2021 sees Senate House Library, the central library for the University of London and SAS, celebrating the 150th anniversary of its founding collections. To mark this, the Library launched an online gallery of 150 unique and treasured items and a timeline charting the growth of the Library to become one of the UK's largest academic libraries for arts, humanities and social sciences.

With social justice at the heart of the collections, the items on display capture leading campaigners, historical events and radical artists, alongside well-known literary giants, to showcase a diverse range of perspectives that have influenced culture in the UK and beyond.

There are many fascinating items on display, from signed books and manuscripts, through to photographs and artwork, and also some unusual items – including a piece of a tree from the garden of Shakespeare's house in Stratford.

Institute for Historical Research reaches historical milestone

The Institute of Historical Research (IHR), which is part of SAS, has launched ‘Our Century’ – an exploration, celebration and reappraisal of history's past, present and future – to celebrate its centenary year.

A programme of events is running throughout the year (until May 2022), bringing together universities, museums, archives, artists, musicians and volunteers to engage local and national communities with the discipline and practice of history.

‘Our Century’ will see the IHR promote the value and power of historical thinking, celebrate diverse histories from the previous century and look ahead to history's future in the coming century. This will be a celebration of collaboration, co-production and curiosity as the IHR heads into its second century.



For more information about the IHR's centenary, visit: history.ac.uk/our-century

Using the technology of the future to open the secrets of the past

Researchers at SAS's new Digital Humanities Research Hub are part of a pioneering new project that will explore the use of Artificial Intelligence (AI) to make historical and museum collections more accessible to researchers and the public.

The Congruence Engine will exploit AI techniques to link and release the research potential of a huge range of digital heritage resources. It will uncover new ways of researching historical artefacts and data. It will also help to develop ways to link researchers and members of the public with the historical and museum collections they are most interested in.

Warburg Donation German cultural trust donates further £2m to the 'Warburg Renaissance' project

The Warburg Institute is a world-class institute for the study of art and culture, which tracks themes and symbols across time and space.

The Institute, part of the University of London since 1944 and a founding member of SAS, is planning a £14.5m capital development, known as the 'Warburg Renaissance', to transform both the Bloomsbury building and the services it offers.

The project has been boosted by a generous donation of £2m from the Hermann Reemtsma Stiftung, a Hamburg-based foundation, which is a significant milestone towards the Institute's fundraising target. The foundation had previously made a lead donation of £1m to the project in 2018. This year's gift is the largest ever donation to the University of London, and will secure the future of the Warburg Institute and help it to reach new audiences.



New partnership to harness London's strengths in local government and higher education

In July 2021 the University launched the London Research and Policy Partnership (LRaPP) – a new partnership with the Greater London Authority (GLA) and the Research England-funded Capabilities in Academic-Policy Engagement (CAPE).

The LRaPP will bring together research and insight from across London's 40+ universities with the policymaking expertise of the GLA to develop a more systematic approach to policymaking, by supporting proactive and sustained engagement between the higher education and government sectors. The partnership is part of a growing movement to connect universities with their home cities, with a view to developing, testing and launching new approaches to solving social challenges.







Our University

Our University

Student Central given a new lease of life by Birkbeck

In July we leased our Student Central building to Birkbeck, who will use the space as a central location for its teaching, learning and research.

Birkbeck's proposal highlighted the transformational impact the building would have in supporting its unique 'widening access' mission. It set out the major impact and benefit it would have in relation to Birkbeck's long-term objective of bringing teaching to the heart of its campus and in its own buildings and dedicated facilities, rather than being dispersed across multiple locations and providers.

This also helps us fulfil an important part of our mission to transform people's lives through education, driven by a commitment to diversity, inclusion and access.

Lights, camera, action!

Senate House is a centre of learning, the home of our world-renowned library collection as well as a historical listed building...but this year it has had a secret sideline as an Eastern European palace, a New York theatre, a Mid-western train station and a crime lab, among others.

Over the past year it has played host to 15 film productions, as well as serving as a unit base for more than 20 other productions using facilities such as the car park to support extras, cast and crew.

It also featured in other filming, including documentaries such as the BBC's 'Blitz Spirit', and charity and arts projects such as 'Lockdown Portraits', which incorporated a solo dance performance filmed in one take in Crush Hall.

As well as working hard behind the camera, this year the estate has also been seen in big screen releases, such as *Wonder Woman 1984* and the latest James Bond film, *No Time To Die*.

New Appointments



Photo credit: Matthew Knight

Professor Katherine Harloe

Professor Katherine Harloe has joined as our new Director of the Institute of Classical Studies. Katherine has an international reputation for her work and is the first black Professor of Classics in the UK, joining us from her previous role as Professor of Classics and Intellectual History at the University of Reading. Katherine's main area of research is the history of classical scholarship in the context of other humanities disciplines and broader political, cultural and intellectual currents, from the middle of the 18th century to the present. Katherine is a Fellow of the Royal Historical Society, and has an international reputation for her work on the 18th-century German classicist and art historian Johann Joachim Winckelmann. She is joint editor-in-chief of the *International Journal of the Classical Tradition*, as well as interdisciplinary research adviser to and a member of the Classics sub-panel of REF 2021.



Professor Claire Langhamer

Professor Claire Langhamer has been appointed Director of the Institute of Historical Research. Claire is a specialist in twentieth-century British history, and joins from her previous role as Professor of Modern British History at the University of Sussex. Claire is a trustee of the Mass Observation Archive and her research examines the feelings and experiences of 'ordinary' people in twentieth-century Britain. Her books include *Class of 37: Voices from Working-Class Girlhood* with Hester Barron; *Total War: an Emotional History*, edited with Lucy Noakes and Claudia Siebrecht; *Women in Fifties Britain*, edited with Penny Tinkler and Stephanie Spencer; and the monographs, *The English in Love: The Intimate Story of an Emotional Revolution* and *Women's Leisure in England, 1920–1960*.



Catriona Cannon

Catriona Cannon has joined as Librarian of Senate House Library (SHL). As well as providing leadership and management of the UK's largest collection in the arts, humanities and social sciences, Catriona will lead the Library Transformation Programme. Prior to this, she was Deputy Librarian and Head of Academic Library Services at Oxford University's Bodleian Libraries. Catriona is no stranger to the University of London, as she started her career at the Warburg Institute as a trainee librarian, worked at King's College London and is on the advisory council at the Institute of English Studies.



Ben Rogers

Ben Rogers joins us as Professor of Practice – London. Ben grew up in London, and after a doctorate in philosophy has worked as a journalist, restaurant critic and as a policy adviser in Gordon Brown's Government. In 2010 he set up the Centre for London, to fill the gap of a think tank focused on London, which he left earlier this year to join the University of London, where his focus is on developing more joint working between London's academic research community and London government.





Scope of the Financial Statements

Scope of the Financial Statements



The University saw strong growth in demand for both existing and new transnational education programmes during the year, with revenue from tuition fees and education contracts growing by

33%



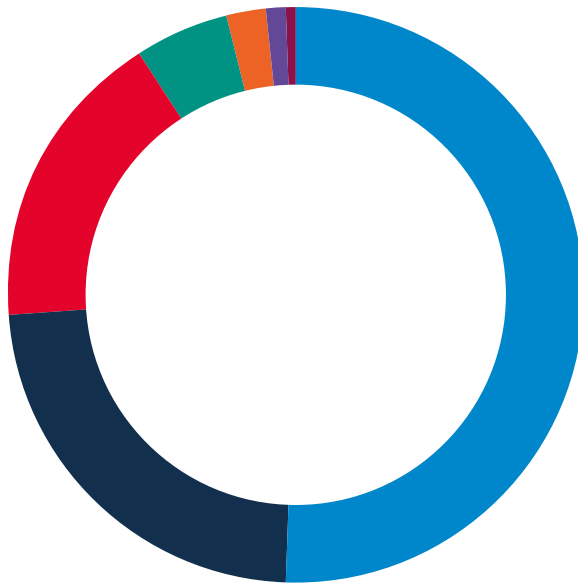
The financial statements comprise the consolidated results of the University and its trading subsidiaries, which undertake trading activities that, for legal and commercial reasons, are more appropriately channelled through a limited company.

The University saw strong growth in demand for both existing and new transnational education programmes during the year, with revenue from tuition fees and education contracts growing by 33%.

This growth in tuition income helped offset the significant reduction in income from residential accommodation and conferencing activities of the University caused by the restrictions put in place in the UK and around the globe to combat the COVID-19 pandemic. The University also saw lower income from research grants as governmental and philanthropic bodies reduced the size of grants available.

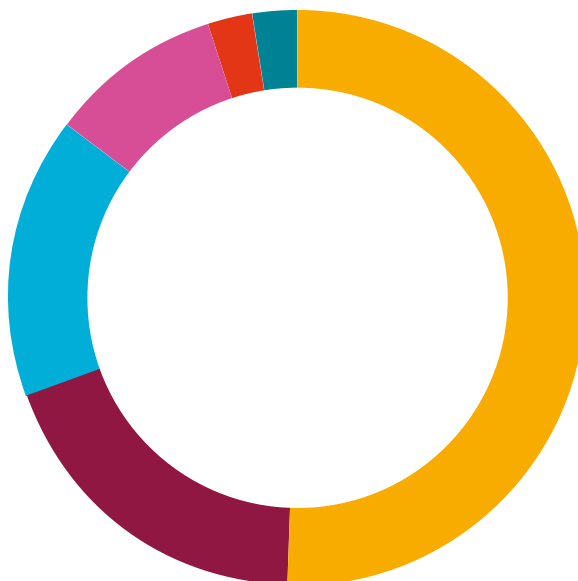
Gains in regard to property and endowment assets during the year ended 31 July 2021 saw the University's performance moving from a deficit of £6.4 million before other gains and losses to a final surplus for the year of £9.4 million.

How the University earns its income



How the University earns its income

Donations and endowments	0.5%
Research grants and contracts	1.1%
Investment income	2.1%
Funding body grants	5.2%
Other income	17.2%
Property income	23.1%
Tuition fees and education contracts	50.8%



How the University spends its income

Senate House Library	2.3%
Other expenses	2.4%
Maintaining campuses	9.7%
Running the University	15.7%
Providing halls of residence	19.1%
Teaching and research	50.8%

Operating Results

	Year ended 31 July 2021	Year ended 31 July 2020	Year ended 31 July 2019	Year ended 31 July 2018	Year ended 31 July 2017	Year ended 31 July 2016
	Consolidated £'000	Consolidated £'000	Consolidated £'000	Consolidated £'000	Consolidated £'000	Consolidated £'000
Total income	167,295	155,413	175,154	174,699	174,032	151,368
Total expenditure excluding USS deficit provision	178,951	174,359	178,443	174,184	177,715	153,304
USS deficit provision movement	(5,253)	(11,418)	18,185	(1,821)	(3,210)	1,750
Total expenditure including USS deficit provision	173,698	162,941	196,628	172,363	174,505	155,054
(Deficit) / Surplus before other gains and losses	(6,403)	(7,528)	(21,474)	2,336	(473)	(3,686)
Gain on disposal of fixed assets	8,969	5,701	-	-	-	(671)
Gain on investments	6,874	44,265	11,521	5,573	16,708	13,029
Surplus / (Deficit) before tax	9,440	42,438	(9,953)	7,909	16,235	8,672
Taxation	1	(1)	(1)	(6)	(385)	475
Total comprehensive income / (expense) for the year	9,441	42,437	(9,954)	7,903	15,850	9,147

Income

Total income for the year increased to £167.3 million in 2020–2021 from £155.4 million in 2019–2020. Tuition fees and income from education contracts increased by a third to £85 million in 2020–2021 compared to £64 million in 2019–2020, with the income from research grants, residences, catering and conferences all decreasing in response to the COVID-19 pandemic.

Income from leases doubled in the year as a result of a number of one-off lease premiums from agreements in relation to long leases granted on properties across the University's estate in 2020–2021.

Income from Member Institutions subscriptions remained static at c. £14 million reflecting the University's decision not to increase any subscription in recognition of the impact of the

COVID-19 pandemic on members of the federation.

These payments are primarily for services provided to our Member Institutions.

Other general income, which includes income generated from services provided to education establishments outside of the federation has further decreased during the year by £3.4 million to £13.8 million, reflecting the continuing economic impact of COVID-19. This decrease would have been larger but was offset by the £0.6 million received under the Government's Job Retention Scheme.

Investment income, which relates to income generated from our endowments, our other investments and in the University and is a reflection of the distributions from subsidiaries, decreased slightly to £3.5 million.

Donation income at £0.8 million was lower than income received in the previous year when two donations totalling £350K collectively were received.



Total capital expenditure in

2020–2021

was

£6.8 million

Expenditure

Total expenditure, excluding the movement in the USS deficit provision, increased by 2.5% from £174.4 million in 2019–2020 to £179.0 million.

Staff costs remain the largest individual component of expenditure. The underlying staff costs of the University and its subsidiaries increased by £2.8 million, an increase of 4.6% on 2019–2020.

Average full-time equivalent (FTE) staff numbers for the University (including subsidiaries) increased by 25 FTE to 1,014 this year, an increase of 2.5%. This was due to the decision to bring cleaning services in-house as from 1 November 2020, and there is a corresponding decrease in costs for external contractors. The growth would have been larger but for the successful delivery of the University's plan to reduce recurring staff costs by circa £4.4 million going forwards. The majority of the cost savings will be realised in future years.

Other operating expenditure increased by 1.1% to £105.8 million from £104.6 million in the prior year. This comprises the costs, other than staff costs, in relation to the academic activities, residences, catering services and other activities across the University. Increased costs related to increased student activity was mostly offset by a reduction in costs due to decreased activities in other revenue areas. Depreciation costs increased slightly to £6.5 million.

While the outcome of the 2020 valuation of USS was released during 2020–2021, the Schedule of Contributions based on the 2018 actuarial valuation still continues for this financial year. The USS deficit provision recognised in these financial statements has reduced, resulting in a credit of £5.2 million. Therefore the total recognised expenditure was £173.7 million in 2020–2021.

Interest costs increased slightly in the year to £3.12 million due to increased loan interest and fees as a result of having taken out a Coronavirus Large Business Interruption Loan Scheme (CLBILS) loan of £25 million and a £20 million Revolving Credit Facility (RCF) from NatWest in June 2020. The RCF was not utilised during 2020–2021.

Investment

During the year the University has continued to invest in supporting the continuing growth of distance learning programmes with the launch of nine new programmes in 2020–2021.

The University finished the refurbishment of the Charles Clore building during 2020–2021. As part of the ongoing efforts to protect cash balances during the COVID-19 pandemic, the only other capital expenditure on the estate was in relation to essential maintenance.

Total capital expenditure in 2020–2021 was £6.8 million.



Net assets at 31 July 2021 totalled

£696.3 million

increasing from £686.8 million
at 31 July 2020

Balance sheet

Net assets at 31 July 2021 totalled £696.3 million, increasing from £686.8 million at 31 July 2020.

Fixed assets decreased during the year by £43.5 million to £509.9 million. Following a review of the options for the use of Student Central, the University determined that the right course of action was for the building to be let on a long leasehold basis on a full repairing and insuring lease to a Member Institution. Towards the end of the financial year the University was able to complete the long lease of Student Central to Birkbeck and the reduction in fixed assets reflects this.

The market value of the University's property investments has increased by £0.4 million to £151.6 million, reflecting the continuing strength of the market for central London properties, although the smaller increase than in previous year shows the market is awaiting to see whether there is a significant return to the office post the opening of the UK economy after the COVID-19 restrictions. The value of the University's and endowment's investment in the Unified Trust Fund recovered significantly in the year to £119.8 million as the investments outperformed the benchmark on a net of fee basis over the year. There was no change in the value of heritage assets at £13.2 million.

The provision for the University's share of the pension deficits decreased from £19 million to £13.9 million due to the change in the deficit contributions contractual commitment under the 2018 valuation in the year. While the conclusion of the 2020 valuation shows an increase in the deficit provision, the final agreement on the new schedule of contributions will happen after this set of financial statements has been approved so it is still appropriate to account in accordance with the plan after the 2018 valuation.

Trade receivables and deferred income both decreased significantly due to invoices for student accommodation being raised earlier in the cycle in July 2020 but not in 2021 to enable the smooth introduction of a new student accommodation management system, which provides more functionality for students and staff.

Social security and other taxation payable at year end reduced by £3.2 million as the University paid PAYE payments deferred in 2019–2020 to help manage cash flow constraints caused by the COVID-19 pandemic and prior to the drawdown of the CLBILS loan.

Accruals increased by £7.9 million, reflecting the growth in the share due to Member Institutions partnering in the University's distance learning programmes as a result of the increased student appetite for distance learning programmes during the year.

Creditors falling due after more than one year decreased by £1.6 million to £134.8 million. This reflects the scheduled repayments of the 2007 RBS Fixed Term Loan.

There are relatively small movements across other Balance Sheet items.

Cash flow, liquidity and treasury management

The impact of the measures to restrict the spread of the COVID-19 pandemic continue to impact on the cash flow of the University. While income in certain areas was better than anticipated in the COVID-19 budget, income linked to the University's estate was lower than expected. This resulted in a net cash outflow from operating activities of £1.9 million compared to the previous year of £5 million. To ensure good financial resilience, the University deferred some budgeted capital expenditure which contributed to the lower than budgeted spend for the year. As a result, there was no requirement for the University to draw down additional debt. The £20m RCF that was put in place in June 2020 remains undrawn and will expire in June 2023. The University's net debt position decreased from £37.6 million to £8.6 million. This was due to the receipt of £35 million on the grant of the long lease on Student Central.



The valuation exercise resulted in the carrying value of the remaining investment properties increasing by **£0.4 million to £151.6 million** reflecting that the market for property similar to the University's remains strong.

Cash and cash equivalents have increased by £28.8 million over the year to £65.5 million. This reflects: the net cash outflow from operations; the net cash outflow on investment in capital expenditure; the cash inflow on the grant of long lease on Student Central to Birkbeck; and the cash outflows for debt service and loan capital repayment. Cash and cash equivalents at 31 July 2021 represents 4.5 months of expenditure.

The University has continued to pursue a low risk treasury management policy with appropriate counter party limits and security criteria in place. The treasury management policy, which is agreed by the University's Finance Committee, accords priority to security and liquidity with yield considerations being subordinated. As part of the low risk approach to treasury management, the University decided to withdraw all funds that were invested in Money Market Funds to mitigate against the potential risk of negative returns. £65.5 million is now held in deposit accounts with instant access or terms up to 95 days in accordance with the treasury mandate.

The Fund's investments have increased in value by £20.1 million, reflecting the recovery of all the equity markets as well as the continuing strength of absolute return and property portfolios. All investment managers returned positive performance for the year. The performance of the UTF for 2020–2021 saw a positive return of 23.3% compared to the Fund's benchmark target return of 20.2%. The benchmark reflects the asset holdings and the associated market conditions.

The University's investment properties have been subject to a professional valuation as at 31 July 2021 undertaken by CBRE Group, Chartered Surveyors. The valuation exercise resulted in the carrying value of the remaining investment properties increasing by £0.4 million to £151.6 million which shows that the market for property similar to the University's remains strong.

Investments

The endowment funds are invested in the Unified Trust Fund (UTF). The funds within the UTF are invested in line with the agreed investment strategy, which provides for a balance between income and capital growth with a medium level of risk over the longer term. The primary objective is to achieve a total return, including dividends, interest, rent or other income and capital appreciation, of RPI +3.5% to +4% per annum, gross of fees, over a rolling five-year period. The investment strategy splits the fund into three distinct portfolios: Equity, which represents the largest of the three portfolios at approx. 77.6% of the fund value at year end; 9.6% in Absolute Return Fund; and 12.8% in Property which is invested in a property fund.

“...the success of the vaccine roll-out in the UK and revisions to Government guidance have seen the risk environment that the University operates in reduce over the course of the year from the unprecedented level at the height of the COVID-19 pandemi.

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Principal risks and uncertainties

It is the policy of the University that risk management is not an isolated activity – it is one element, together with planning and performance management, of the governance and management of the University. Risk management also forms a part of the structure of internal control, and in particular will drive activity undertaken as part of the internal audit process. Furthermore, risk management is an activity that should be carried out at every level of the University to shape the work of departments, teams and individuals.

The Board of Trustees is responsible for managing the risks and opportunities faced by the University. The University maintains a Strategic Risk Register which is regularly reviewed by the Board.

The University also recognises that all members of staff should give due attention to managing risk regardless of the role they perform. All staff should report new risks, or changes to the status of risks, through the management structure.

While there is still a heightened level of uncertainty, the success of the vaccine roll-out in the UK and revisions to Government guidance has seen the risk environment that the University operates in reduce over the course of the year from the unprecedented level at the height of the COVID-19 pandemic. This is reflected throughout the assessment of the risks and level of risk. Senior management focus on strategies to mitigate both existing risks along with being alert to changing external circumstances and agility to respond to new risks.

While for most of the year, the risk rating in regard to (a) the health and safety of staff and students; and (b) organisational change was outside of the University's tolerance level for these risks, these risks were reduced to within tolerance level due to a combination of change in external circumstances and the success of mitigation strategies.

Health and safety is the foremost concern for senior leadership in managing the University's response to the pandemic. COVID-19 is not only a health threat to all staff and students but the measures to combat COVID-19 have led to challenges to staff's mental as well as physical wellbeing over the course of the year. While technology has enabled virtual meetings and business to continue, it has been harder to recreate the sociability of the office environment that supports mental wellbeing. The University believes it is vital to support the mental health and wellbeing of all staff, and is therefore investing in a mental health and wellbeing programme. The programme is highly practical and is designed to assist staff to recognise and manage mental health issues in the workplace.

Guidance for those who have needed to continue working in the University buildings was continually updated to reflect the latest guidance from governments throughout the year. The University has been agile in adapting policy and practice as governments respond to the COVID-19 pandemic. The University has adopted, on a trial basis, a Hybrid Working Framework from September 2021. The Framework recognises that the University's ways of working need to support its mission and public good. Hybrid working is a form of flexible working, which can accommodate



The University's dependency on public funding is less than most other UK universities; these financial statements show that funding from UKRI accounted for 5% of total income.



staff's different working preferences, times or schedules in pursuit of the mission of the University. The Framework will be subject to an initial review in December 2021.

During the course of 2020–2021, the HE/FE sector has increasingly been targeted in ransomware attacks by cyber criminals and the associated risk to the University has been raised. The University has adopted the specific guidance on risk mitigation issued by security agencies and remains vigilant in regard to all aspects of cyber risk.

The University is not alone in being concerned about risk to future availability of funding, although it is well positioned to respond to the changing educational landscape, particularly the growth in distance learning.

The UK university sector continues to experience a period of change, with the impact of COVID-19 on public finances leading to reductions in the level of central funding, the ongoing impacts of Brexit filtering downwards and increasing competition as universities vie for the

best students as new providers enter the market.

The University's dependency on public funding is less than most other UK universities; these financial statements show that funding from UKRI accounted for 5% of total income. The University does receive specific Research England funding for SAS's national role in promoting and facilitating research in the Humanities. The funding is on the basis of a rolling grant with an annual contestable percentage which is subject to SAS meeting the objectives set by its Strategic Advisory Board and has been confirmed for 2021–2022.

Aside from this, the University continues to invest in SAS to realise our own strategic objectives which underpin the University Strategy.

Distance learning programmes are a major source of income for the University, and an area of expertise for more than 160 years. There are both opportunities and threats as the market for distance education has become increasingly competitive with new providers, new learning technologies and private capital accelerating the pace of change. The University is continuing to invest in developing new and existing programmes and infrastructure to ensure it retains its position as a world-leading institution in this area. Recruitment continues to be strong and cash income in 2021–2022 to date is ahead of 2020–2021, showing the resilience of this income stream and the global demand for higher education provision that enables students to study from their own homes.

Income from student accommodation has been impacted by the restrictions imposed by COVID-19. However, the shortage of student accommodation in London remains and occupancy at the start of Autumn Term 2021–2022 is very close to 100% across all the Central London halls of residence and considerably higher than budgeted in other halls.

Looking Forward

The development of the new University of London Strategy has clearly shown how innovative we are. The breadth and depth of the conversations around developing the new Strategy have been inspiring, with plans for new programmes, new centres, new partnerships and new capital projects.

To match this level of ambition the University intends to make investments totalling £53m over the next three years. To do this the University will drive and diversify income as well as become more effective at what it is currently doing.

The University is in a strong financial position, and will continue to nurture and support that position. As well as making investments, the University is prepared for the impact of external factors, such as higher inflation and more tightly controlled tuition fees.

The University has developed a positive financial strategy that allows it to move to a balanced budget early in the new Strategy and support strategic growth from a secure base.

The University has prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements and these have been approved by the Board of Trustees.

After reviewing these forecasts, the Board of Trustees is of the opinion that, taking account of severe but plausible downsides, including the anticipated impact of COVID-19, the Group and parent University will have sufficient funds to meet their liabilities as they fall due over the period of 12 months from the date of approval of the financial statements, and have adequate resources to continue in existence for the foreseeable future (the going concern assessment period).



The University intends to make investments totalling

£53 million

over the next three years.

The forecasts were based on the following key assumptions:

- 1 1.6% salary increase.
- 2 Occupancy rate of 94.20% and an eight-week COVID-19 lockdown during the period where 1,500 students pay reduced rent;
- 3 A 5.2% growth in distance learning income, in line with student forecast expectations and 10 new programmes launching during the year;
- 4 Increased estates revenue, reflecting sale of new leases in the year;
- 5 Reduced commercial income, reflecting decreased conferencing income as a consequence of COVID-19.

In coming to its final decision that the going concern basis is appropriate, the Board of Trustees considered the latest position on distance learning, student accommodation and commercial income assumptions. It noted that performance in the three months to 31 October 2021 does not indicate any need to change assumptions in other areas and that cost savings targeted in 2020–2021 have largely been maintained in 2021–2022. Up-to-date downside scenarios were reviewed, and the Board of Trustees assessed the achievability of the mitigating actions that might need to be taken to ensure all banking covenants continue to be met.

The University is guided going forwards by its newly articulated strategic aim: To enrich our academic work in the pursuit of excellence in education, research and knowledge exchange through collaboration with our Member Institutions; developing academic programmes, networks and partnerships that further our federation's goals across London, the UK and internationally.

In delivering this strategic aim the University will further its position as the UK's leading provider of distance learning worldwide, develop our unique place in humanities research and transform our organisation, particularly our central London estate, to prepare the University for a successful future.

The outlook for the University is a positive one. The new University Strategy is focused, clear and purposeful and is well-positioned in a post-COVID world of increased digitisation and online education. The University is underpinned by a strong Balance Sheet and diversity of income streams, providing resilience despite global uncertainties.



Fundraising Regulation

As part of our commitment to the Charities (Protection and Social Investment) Act 2016, the statement below outlines how the University undertakes its fundraising activities. This includes ensuring our community has clarity on a number of issues outlined in the Act.

1 What is the approach taken by the University for the purpose of fundraising, and in particular whether a professional fundraiser or commercial participator carried on any of those activities?

The University of London directly employs a team of fundraising professionals to engage with, and seek donations from: trusts and foundations, corporations, alumni and other individuals who have an interest in the work of the University. In 2020–2021 these fundraising campaigns were carried out to advance and support the University's mission and included a combination of telephone and digital appeals, as well as face-to-face and individual fundraising. In 2020–2021, the University also used the services of CoAltus, an external fundraising agency.

2 Was the University or any person acting on its behalf subject to an undertaking to be bound by any voluntary scheme for regulating fundraising, or any voluntary standard of fundraising, in respect of activities on behalf of the University, and, if so, what scheme or standard?

The University of London is governed by the Fundraising Code of Practice and subscribes to the Fundraising Regulator. The University regularly reviews its practices against the Code of Fundraising Practice to ensure continued robust compliance with the Code. It is in the process of setting up the Fundraising Preference Service best practice.

The University is also an active member of the Council for the Advancement and Support of Education (CASE) and it maintains involvement with the Institute of Fundraising (IoF), to help ensure best practice on an ongoing basis.

3 Was there any failure to comply with a scheme or standard mentioned under paragraph (b)?

The University has not identified, nor been notified of, any failures to comply with the Code of Fundraising Practice, or of any other best practice as noted by CASE, the IoF or the Direct Marketing Association for the purposes of fundraising or engagement.

4 Did the University monitor activities carried on by any person on its behalf for the purpose of fundraising, and, if so, how did it do so?

The University has developed guidelines for volunteer fundraisers, in the event that it engages with volunteer fundraisers in future. The University periodically works with external suppliers such as CoAltus, who provide telephone fundraising support, as well as those who print and send large mailings on its behalf. In these cases, the University has robust contracts in place with those companies, including ensuring that they comply with the Fundraising Code of Practice and all data protection legislation.



The University of London directly employs a team of fundraising professionals to engage with, and seek donations from: trusts and foundations, corporations, alumni and other individuals who have an interest in the work of the University.

5 What is the number of complaints received by the University or a person acting on its behalf about activities carried out for the purpose of fundraising?

The University has a procedure to monitor and address any complaints about fundraising, which is available on our website: [london.ac.uk/ support-us/donor-charter/development-office-complaints-procedure](https://london.ac.uk/support-us/donor-charter/development-office-complaints-procedure)
In 2020–2021, one complaint about fundraising was raised through this process.

6 What does the University do to protect vulnerable people and other members of the public from behaviour within subsection (2) in the course of, or in connection with, such activities?

The University takes seriously its commitment to ensuring the safety and wellbeing of our staff, constituents and donors. The University proactively cultivates awareness in staff engaged in fundraising of the 'Treating Donors Fairly' guidance provided by the Institute of Fundraising, as well as section 1.3 of the Code of Fundraising Practice, which addresses the need to treat donors fairly. If any member of staff has reason for concern about the potential vulnerability of any constituent or prospective donor, they will not progress further cultivation of that individual until a further assessment can be made. The University adheres to the CASE Zero Tolerance Pledge. Particularly during recent months, in regard to COVID-19, it has added additional messaging to our fundraising appeals, which acknowledges that financial circumstances may make it difficult for individuals (or organisations) to give. It would never put pressure on any constituent to make a donation. It might suggest alternatives, where appropriate, for those who are not currently able to make gifts due to the circumstances around COVID-19, including, for example, participating in one of our free online events or volunteering their time in a virtual way to support the University.



Sustainability

Energy and carbon

The University's energy consumption continued to be significantly reduced due to the ongoing impacts of the COVID-19 pandemic. This led to continued reductions in carbon emissions, the full details of which will be published in the University's annual Estates Management Record to the Higher Education Statistics Agency (HESA) and the annual sustainability report.

The University is continuing its collaborative project with UCL and SOAS to upgrade the shared Bloomsbury Heat and Power district heating network. The project reached the end of RIBA Stage Three with the current designs forecasting a reduction in CO2 emissions of up to 88% over its lifetime when compared to the existing network. Much of this reduction is expected to be driven by recovering waste heat from the local sewer network, in what could be the first project of its kind in London.



ISO14001

The University retained its ISO14001 accreditation, ensuring that the institution operates with the highest environmental standards and continually improves its environmental impacts.

Waste

During the year the University took direct control and re-tendered its waste contract, bringing on board the BPR Group. The University worked closely with the BPR Group to identify opportunities to improve waste management across the estate, reducing total waste volumes and increasing recycling rates. Waste figures across the estate remained low due to the continued pandemic, with a total of 472t of waste produced of which 47% was recycled, representing a drop from the previous year.

Engagement

The University took its award-winning Reduce the Juice: Connect student-facing sustainability engagement programme worldwide. The programme was opened up to University of London Worldwide students alongside those living in University of London intercollegiate halls, Goodenough College as well as students at LSE and the University of Surrey. The project gave students the unique opportunity to hear from students in every continent about their experience of the environmental crisis and share solutions to the problems they're facing. During the year 2,698 students engaged in the programme, joining webinars, hearing from guest speakers and participating in competitions.

“

The University worked closely with the BPR Group to identify opportunities to improve waste management across the estate, reducing total waste volumes and increasing recycling rates.

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Biodiversity

Early in 2021 the University was recognised as a hedgehog-friendly campus, receiving a bronze award from the British Hedgehog Preservation Society. The award was in recognition of a number of successful on-site projects and campaigns.

The University continued its work on the Wild Bloomsbury Project. Working alongside UCL and Bedford Estates, the University has developed a biodiversity baseline for the Bloomsbury area and identified a wide range of projects which would increase and improve biodiversity and the abundance of green spaces in the area.

Public Benefit Statement

The University is an exempt charity under the terms of the Charities Act 2011. The Charity Commission for England and Wales has issued guidance on public benefit requiring that there must be clearly identified benefits related to the aims of the charity; that the benefits must be to the public, or to a section of the public; that where the benefit is to a section of the public, the opportunity to benefit must not be unreasonably restricted by geographical or other restrictions or by the ability to pay fees; and that people in poverty must not be excluded from the opportunity to benefit.

The University of London exists to benefit the public; to promote education of a university standard and the advancement of knowledge and learning by teaching and research; and to encourage the achievement and maintenance of the highest academic standards.

The University contributes to the advancement of education, but also, in a variety of ways, to many of the other specific categories of charitable purposes set out in the Charities Act 2011.

The Member Institutions of the University, which are all themselves charities, have included within their respective financial statements for 2020–2021 their own Public Benefit statements in line with the reporting requirements of the 'Statement of recommended practice: Accounting for further and higher education 2015'. Reference should also be made

to these statements when considering the public benefits delivered by the University of London.

The University of London is committed to widening participation and access to higher education. We have a proven track record, spanning more than 160 years, of successfully providing the highest quality education and flexible programmes at an affordable price to students in the UK and around the world. We are incredibly proud of our record of making education accessible for all, wherever they live, with more than 51,000 students in over 190 countries.

The University's core mission has always been, and continues to be, to offer life-changing access to a university education that meets every student's needs. We will support all our students to enable them to achieve the best possible learning outcomes, with a focus on a high-quality and accessible learning experience for every single student.

Our rich and diverse portfolio of undergraduate and postgraduate programmes encourages and supports access to higher education through a wide variety of modes of study and flexible provision, to suit the diversity of our students, who come from every corner of the globe. These include master's programmes in Poverty Reduction, Applied Educational Leadership and Management, Environmental Management, Clinical Trials, Epidemiology, and Infectious Diseases. Our undergraduate programmes include Computer Science, English, History, Philosophy, Classics and Law.



The University provides a wide range of affordable accommodation for **3,700** students across London in our Intercollegiate Halls of Residence, which offer a diverse and inclusive environment for students from across the federation.

Our programmes are priced competitively to give students access to high-quality education, regardless of where they live. The cost of a typical three-year undergraduate programme ranges between £5,000 and £8,000. For fully online web-supported undergraduate programmes, prices are between £9,000 and £22,000.

The University welcomes applications from everyone, without specific tariff requirements or qualifications, and our mission is to ensure that our activities are accessible to all. We are continually improving our student services in order to enhance the experience of our students. We provide targeted and dedicated support to our students throughout their student journey with us, from the first enquiry through to their graduation and beyond.

The University provides bespoke careers advice and support to students, graduates and early careers research staff through the work of The Careers Group, the largest HE careers and employability service in Europe.

The University's commitment to equality and inclusion remains a key institutional value which is enshrined in our Statutes. This year we developed the University's new Equality and Inclusion Strategy (2021–2025). This sets out the objectives and deliverables we will focus on to ensure we proactively understand equality issues in relation to race, gender, disability, sexual orientation and other protected characteristics. It also focuses on how we will address equality issues by recruiting, supporting and developing both students and staff from a wide and diverse range of backgrounds.

The School of Advanced Study is the only institution in the UK which receives national funding to promote and facilitate research in the humanities. Research England has confirmed that funding levels will be maintained for 2021–2022, and we have been given an additional £500,000 to help further develop our strategic aim to become the National Centre for the Humanities.

The School's events programme continues to deliver a wide range of seminars, workshops, lectures and conferences, which are unrivalled in their scale, focus and quality. The vast majority of these events are free and open to the public, and we continue to encourage as broad an audience as possible to take advantage of all our events have to offer.

Senate House Library is the central library for the University of London and SAS. It provides access to millions of books, journals, special collections, archives and digital resources to support research across the arts, humanities and social sciences. Access has continued online throughout the various stages of the pandemic, and we have reached thousands of users around the world via its website, including bespoke digital content created to support Senate House Library's engagement programmes.

The University provides a wide range of affordable accommodation for 3,700 students across London in our Intercollegiate Halls of Residence, which offer a diverse and inclusive environment for students from across the federation.

As a University with a duty to safeguard young people and vulnerable adults, we recognise the needs of those who are estranged from their biological or adoptive parents, or who are care leavers. Through our Estranged Students Policy and Care Leavers Policy, our Intercollegiate Halls of Residence support students to receive any additional help they may need, in order to have a successful university experience. We offer an accommodation scholarship for up to three students in these categories.



During 2020–2021,
the Development Office raised

£2.7 million

in philanthropic gifts and pledges

Donors and supporters

During 2020–2021, the Development Office raised £2.7 million in philanthropic gifts and pledges, and continued activities to engage with the University's community of alumni, supporters and friends.

For the second year, the University ran the Student Support Appeal, which this year raised money for students experiencing financial hardship in London at SAS, at the University of London Institute in Paris, as well as those studying around the world via distance and flexible learning. The University was delighted to receive donations for this initiative from over 200 alumni living in 41 countries. The University also received a number of donations from alumni, friends and organisations towards scholarships, enabling students to undertake degree programmes that will make a positive impact on their lives and communities.

The University was pleased to receive a landmark donation of £2 million from the Hermann Reemtsma Stiftung towards the Warburg Renaissance capital redevelopment project. This gift, coupled with the initial donation of £1 million made by the foundation, as well as contributions from other charitable organisations, alumni and friends, will have a transformative effect on the Warburg Institute, helping to secure its future and make it ready for future generations.

The University also secured further philanthropic support from charitable foundations, law firms and individuals towards the Refugee Law Clinic. The clinic was officially opened in May 2021, providing pro bono legal advice for refugee clients wishing to claim asylum in the UK. It gives our students the opportunity to gain practical experience by working on real legal cases under the supervision of a qualified expert lawyer, and has been developed and delivered in partnership with two law firms – Macfarlanes LLP and Clifford Chance LLP – and ten of our Member Institutions.



The University, on behalf of the federation, manages a range of trust funds and endowments. The endowment funds as shown in the Balance Sheet as at 31 July 2021 were carried at their market value, which was £106.1 million, and the sums expended during the year from these funds amounted to £2.9 million (see note 23 of the financial statements). This expenditure represents payments in respect of fellowships and scholarships, prizes, chairs and lectureship funds, as well as a range of other awards to assist students and researchers within the Member Institutions and central academic bodies, thereby providing opportunities to those whose means may otherwise inhibit them from participating in teaching and research activities. A number of trust funds support the development of collections held by Senate House Library. The trust funds are also utilised to fund an ongoing series of prestigious public lectures, recitals and readings, generally in areas connected with the arts and humanities.

Senate House Library (SHL)

During the pandemic, we worked hard to ensure the continuity of our unique library services.

Fully remote registration was developed within a week, enabling 6,998 new members to join Senate House Library last year. Staff worked remotely, helping them to respond to more than 2,650 enquiries about SHL collections and services via the **Library Live Chat web service**.

SHL worked with publishing partners, adding 194,000 extra ebooks and temporarily extended access to 203,000 titles online across 16 collections such as JSTOR, Project Muse, Bloomsbury Collections and Music Online Classical Scores.

A **Click & Collect service** was developed for both SHL and SAS libraries in time for when higher education institutions were able to reopen for essential services. More than 24,000 books were loaned in 2020 through Click & Collect, in addition to more than 1,000 postal loans, providing an essential service for students and researchers.

Onsite inductions and research tutorials were adapted into virtual events by SHL and SAS librarians, increasing participation and geographical reach, and running 138 induction sessions for 3,582 students and researchers throughout 2020.

SHL and SAS Engagement teams **developed digital assets and virtual public events** resulting in:

- **620,000+** visitors to SHL and SAS websites
- **47,352 blogs, videos & podcasts** on SHL and SAS websites
- **2,387+** attendees for SHL and SAS public engagement events

- **10,500+ visitors** to SHL's Childhood in Dickensian London virtual exhibition and events
- **11,700+ YouTube views** of SHL's The Magical Mind of Terry Pratchett with Neil Gaiman, Rob Wilkins and Rhianna Pratchett.

As a result of the IT development and onsite adaptation, including the continuation of self-service laptop loans, free printing and copying, and waiving all fines, more than 35,000 Library member students/researchers were able to study from home with both physical items and online resources. The work of Engagement teams resulted in a **50% increase in engagement with both the wider HE sector and public audiences**. All of this work provided essential library services, research advice and engagement both onsite in Central London and remotely/ virtually, direct to people's homes, when many other national institutions remained closed or had limited capacity.

In June 2021, Senate House Library celebrated the 150th anniversary of its founding collections with the launch of the SHL150 online exhibition, receiving 1,528 views on that day. The main gallery contains 150 unique and treasured items, charting the growth of the Library in becoming one of the UK's largest academic libraries for the arts, humanities and social sciences and capturing the diverse range of perspectives in the collections that have influenced culture in the UK and beyond over the last 150 years.



More than

35,000

Library member students/ researchers were able to study from home with both physical items and online resources.





Governance



Corporate Governance Statement

The following statement is given to assist readers of these financial statements to obtain an understanding of the governance procedures of the University. It covers the period from 1 August 2020 to 31 July 2021 and up to the date of approval of the financial statements on 24 November 2021.

The University endeavours to conduct its business:

- in accordance with the seven Nolan Principles of Public Life: selflessness, integrity, objectivity, accountability, openness, honesty and leadership,
- in line with the public interest governance principles and conditions of registration of the Office for Students (OfS), and
- in accordance with the values and elements set out in The Higher Education Code of Governance (September 2020).

The members of the Board of Trustees, as the charity trustees of the University, confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales. The Public Benefit Statement section provides details of the reasons for this confirmation.

The Board of Trustees confirms that during the year ended 31 July 2021:

- funds from whatever source administered by the higher education institution for specific purposes have been properly 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 Funding and any other terms and conditions attached to them; and
- the requirements of the OfS's accounts direction have been met.

The University is an independent statutory corporation which was incorporated originally by Royal Charter in 1836 and is, at present, incorporated by Royal Charter granted in 1863. It is now governed by the University of London Act 2018 and by the Statutes made in 2018 under that Act, which set out its objects, powers and framework of governance.

The University of London is a federal university and, as well as the central academic bodies and central activities included in these financial statements, comprises a further 17 Member Institutions, each of which is itself a higher education institution, a charity and a self-governing incorporated body with its own legal identity.

The University's Board of Trustees, the governing and executive body of the University, comprises: 11 appointed independent persons, all of whom are non-executive; the Vice-Chancellor; the Deputy Vice-Chancellor, who is head of a Member Institution; and four heads of Member Institutions, appointed by the Collegiate Council.

The role of the Chair of the Board of Trustees is separated from the role of the University's chief executive, the Vice-Chancellor. The powers of the Board of Trustees are set out in the Statutes of the University. The Board of Trustees, which normally meets six times a year, holds to itself, *inter alia*, responsibility for the ongoing strategic direction of the University; oversight of compliance with the OfS's ongoing conditions of registration and terms and conditions of funding; management of strategic risks; approval of major developments and receipt of regular reports from its committees and wholly owned subsidiaries.

The Board of Trustees is supported by the Collegiate Council, which comprises the heads of the 17 Member Institutions of the University, the Vice-Chancellor, the Deputy Vice-Chancellor, the Pro Vice-Chancellor (Research and Engagement) and the Pro Vice-Chancellor (International, Learning and Teaching). The Collegiate Council is chaired by the Vice-Chancellor. The Collegiate Council is responsible for determining, and advising the Board of Trustees on, the collective view of the Member Institutions in respect of all matters concerning the University of London as an incorporated body, including its strategic direction. It is also responsible for ensuring the proper discharge of the University's academic affairs.

The **Collegiate Council**, inter alia, approves the strategic plans of the University's central academic bodies and central activities, and recommends to the Board of Trustees the University's annual budgets for these bodies and activities. It monitors performance against these plans and budgets, and makes proposals and recommendations to the Board of Trustees regarding the resources and services provided by the University to the Member Institutions, and on the funding of those services.

The **University's Statutes** provide that the Board of Trustees shall appoint an Audit and Risk Assurance Committee; and that the Board of Trustees and the Collegiate Council may each, from time to time, establish additional standing, special and advisory committees, sub-committees or boards. The committees which the Board of Trustees has established, and which operated during the year ended 31 July 2021, in addition to the Audit and Risk Assurance Committee, are the Estates Committee, the Finance Committee, the Investments Committee and the Remuneration Committee, as well as the Academic Promotions and Titles Committee, the Equality and Inclusion Committee and the Health and Safety Committee. All of these committees are formally constituted with terms of reference and include members drawn from the membership of the Board of Trustees.

The University undertook a review of its governance in 2020, with a final report approved by the Board of Trustees in July 2020. The changes will ensure that the University is fit for purpose and will support the effective delivery of the new University Strategic Plan for 2020–2025. The review included an audit against the latest Higher Education Code of Governance, as well as regulatory or legislative changes. To implement the recommendations of the review, the Board of Trustees established the Finance Committee; added ethical acceptance of donations to the remit of the Audit and Risk Assurance Committee; renamed the Equality and Diversity Committee as the Equality and Inclusion Committee; delegated authority over trust funds to the Vice Chancellor's Executive Group; disbanded the Ethical Acceptance of Donations and Trust Funds Committees from 1 August 2020; and established the Academic Board from 1 August 2021. Further changes will be made in the coming 12 months

The **Audit and Risk Assurance Committee**, which meets at least four times a year, is responsible for providing assurance to the Board of Trustees in regard to the University's ongoing conditions of registration with the OfS; provides oversight of the University's management of strategic and significant operational risks; meets with the external auditors to discuss audit findings; and meets with the internal auditors to consider their detailed internal audit reports and recommendations for the improvement of

the University's systems of internal control, together with management's responses and implementation plans.

The Audit and Risk Assurance Committee also monitors adherence to regulatory requirements; and considers reports from the OfS as they affect the University's activities. The Committee advises the Board of Trustees on the appointment and remuneration of the external and internal auditors, with whom it meets for independent discussions. It also considers ethical issues around proposed donations to the University. Although senior executives attend the meetings of the Committee as necessary, they are not members of the Committee. The Committee reviews the University's annual report and annual financial statements together with the accounting policies before recommendation to the Board of Trustees for approval.

The **Nominations Committee** considers nominations for independent vacancies on the Board of Trustees. In line with the University's commitment to access and equal opportunities, the Committee seeks to achieve a balance of membership on the Board of Trustees in terms of skills, different lived experiences and benefits that diversity can bring to a university that is truly global. These are important considerations for the Committee in selecting members of the Board of Trustees. Vacancies are advertised openly and appropriately. The role of the Committee includes appointments to all committees of the University.

The **Remuneration Committee** determines the remuneration of the Vice-Chancellor and other senior staff.

The **Estates Committee** is responsible for a number of estates-related matters and also advises the Board of Trustees on matters relating to the University's estate, including specific capital projects and wider estates strategy.

The **Equality and Inclusion Committee** seeks to promote equality and diversity among staff and students. Its responsibilities include developing and ensuring implementation of the University's Diversity and Inclusion Strategy and related policies; monitoring and making recommendations in response to developments in legislation; and reporting to the Board of Trustees on equal opportunities monitoring and developments in relation to equality, diversity and inclusion.

The **Finance Committee** is responsible for safeguarding and realising the value of the University's assets for the medium and long term; for recommending annual budgets to the Board of Trustees; and for advising the Board of Trustees on matters of financial sustainability and significant capital expenditure. The Finance Committee also considers, and recommends to the Board of Trustees, comprehensive Financial Regulations for the conduct of the financial affairs of the University.

The **Investments Committee** is responsible for matters relating to the investments of the University and its trust funds, including recommending to the Board of Trustees the appointment of investment managers.

The principal academic and administrative officer of the University is the Vice-Chancellor, who is responsible to the Board of Trustees for securing the implementation of the decisions of the Board of Trustees, and for maintaining and promoting the efficiency and good order of the University. The Vice-Chancellor is also, under the OfS Terms and Conditions of Funding, the designated Accountable Officer of the University and in that capacity, can be summoned to appear before the Public Accounts Committee of the House of Commons.

Following the passage of the University of London Act 2018, the University is supporting 12 Member Institutions who are seeking the title of 'University'. The grant of university title would enable them to possess university status in their own right (as opposed to through the University of London). None has expressed any intention to change their legal or trading names upon the award of university title.

Membership and Responsibilities of the Board of Trustees of the University of London

Membership period 1 August 2020 to 24 November 2021 (unless otherwise stated):

Independent Members	Period of office
Jane Andrewartha	
Stella Beaumont	
Abdul Bhanji	
Philip Clark	
Sir Richard Dearlove (Chair)	
Andrew Halper	
Kieran Murphy	
Andrew Ratcliffe	
Malcolm Roberts	
Mark Storey	
Rosalyn Wilton	

Vice-Chancellor

Wendy Thomson	
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Deputy Vice-Chancellor

Paul Layzell, Principal of Royal Holloway, University of London	
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Four Heads of Member Institution, chosen by the Collegiate Council

Michael Arthur, President and Provost of UCL	Until 31 January 2021
Colin Bailey, President and Principal of Queen Mary University of London	From 1 February 2021
Edward Byrne, President and Principal of King's College London	Until 31 January 2021
Frances Corner, Warden of Goldsmiths, University of London	
Stuart Reid, Principal of the Royal Veterinary College	
Michael Spence, President and Provost of UCL	From 1 February 2021

The Board of Trustees is responsible for preparing the Annual Report and the financial statements in accordance with the requirements of the Office for Students' Terms and Conditions of Funding for Higher Education Institutions and Research England's Terms and Conditions of Research England Grant and applicable law and regulations.

They are required to prepare the group and parent University financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. The terms and conditions of funding further require the financial statements to be prepared in accordance with the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education, in accordance with the requirements of the Accounts Direction issued by the Office for Students.

The Board of Trustees is required to prepare financial statements which give a true and fair view of the state of affairs of the group and parent University and of their income and expenditure, gains and losses and changes in reserves for that period. In preparing each of the group and parent University financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group and parent University's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent University or to cease operations or have no realistic alternative but to do so.

The Board of Trustees is responsible for keeping adequate accounting records that are sufficient to show and explain the parent University's transactions and disclose with reasonable accuracy at any time the financial position of the parent University. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The Board of Trustees is also responsible for ensuring that:

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students and Research England have been applied in accordance with the terms and conditions attached to them;
- ensuring that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources; and
- securing the economical, efficient and effective management of the University's resources and expenditure.

The Board of Trustees is responsible for the maintenance and integrity of the corporate and financial information included on the University's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Internal Control by the Board of Trustees of the University of London

As the governing body of the University, we have responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which we are responsible, in accordance with the responsibilities assigned to the Board of Trustees in the University of London 2018 Act and Statutes, and the OfS Terms and Conditions of Funding.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives. It can, therefore, provide only reasonable, and not absolute, assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically. This process has been in place for the year ended 31 July 2021 and up to the date of approval of the financial statements on 23 November 2021, and accords with OfS guidance. No significant internal control weaknesses or failures were identified in the year.

As the governing body, we have responsibility for reviewing the effectiveness of the system of internal control. The following processes have been established and carried out during the year ended 31 July 2021:

- We meet regularly (usually on six occasions a year) to consider the plans and strategic direction of the University.
- We receive periodic reports concerning internal control from the Chair of the Audit and Risk Assurance Committee, and we require regular reports from managers on the steps they are taking to manage risks in their areas of responsibility, including progress reports on key projects.
- The Audit and Risk Assurance Committee receives regular reports from the internal audit service, including its independent opinion on the adequacy and effectiveness of the University's system of internal control, together with recommendations for improvement.

- A robust risk prioritisation methodology based on risk ranking and cost-benefit analysis has been established.
- An organisation-wide risk register is maintained. Risks cover business, operational, compliance and financial risks, and are assessed on likelihood and impact.
- Reports are received from budget holders, department heads and project managers on internal control activities.

The review by the Board of the effectiveness of the system of internal control is informed by the work of the internal auditors, Uniac. They operate to the standards defined in the Audit Code of Practice (Annex C to the OfS Terms and Conditions of Funding for higher education institutions). Our review of the effectiveness of the system of internal control is also informed by the work of the executive managers within the University, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter and other reports.



A low-angle, upward-looking photograph of several modern skyscrapers with glass facades. The buildings are arranged in a way that they appear to converge towards the top of the frame. The sky is a deep blue with scattered white clouds. The overall tone is professional and corporate.

Financial Statements

Independent Auditor's Report to the Board of Trustees of the University of London

Opinion

We have audited the financial statements of the University of London ('the University') for the year ended 31 July 2021 which comprise the Consolidated and University Statement of Comprehensive Income, Consolidated and University Statement of Changes in Reserves, Consolidated and University Balance Sheet and Consolidated Cash Flow and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the University's affairs as at 31 July 2021, and of the Group's and the University's income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows, for the year then ended; and
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group, in accordance with UK ethical requirements, including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Board of Trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the University or to cease their operations, and they have concluded that the Group's and the University's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ('the going concern period').

In our evaluation of the conclusions of the Board of Trustees, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group's and University's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work are:

- We consider that the Board of Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
- We have not identified, and concur with the Board of Trustees' assessment, that there is not a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the University's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the University will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ('fraud risks'), we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Senior Management, the Audit and Risk Assurance Committee and internal audit as to the Group's and University's high-level policies and procedures to prevent and detect fraud, including the Group's and University's channel for 'whistleblowing', as well as whether they have knowledge of any actual, suspected or alleged fraud.

- Reading Board of Trustees, Audit and Risk Assurance Committee, Estates Committee, Finance Committee and Remuneration Committee meeting minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue from distance learning courses and accommodation fee revenue is recorded in the wrong financial period and the risk that Group and University management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual account combinations and other unusual journal characteristics.
- For a sample of cash receipts received and sales invoices raised in the period 1 July 2021 to 31 October 2021, assessing whether the income had been recognised in the appropriate accounting period by confirming the date of delivery of the relevant good or service.
- Re-performance of a sample of year end deferred and accrued income adjustments, to assess the appropriateness and accuracy of the adjustments recognised.
- Assessing significant accounting estimates for bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and (as required by auditing standards) discussed with Senior Management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably. First, the Group and University are subject to laws and regulations that directly affect the financial statements, including financial reporting legislation, taxation legislation and pensions legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group and University are subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the University's registration with the Office for Students. We identified the following areas as those most likely to have such an effect: GDPR compliance, health and safety, anti-bribery and employment law, recognising the nature of the Group's and University's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Executive team and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or is evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely it is that the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The Board of Trustees is responsible for the other information, which comprises the Strategic Report, Public Benefit Statement, Corporate Governance Statement and Statement of Internal Control. Our opinion on the financial statements does not cover the other information and, accordingly, we do not

express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- We have not identified material misstatements in the other information.
- In our opinion the information given in the Strategic Report, Public Benefit Statement, Corporate Governance Statement and Statement of Internal Control is consistent with the financial statements.

Board of Trustees' responsibilities

As explained more fully in their statement set out on page 50, the Board of Trustees is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group's and parent 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 it either intends to liquidate the Group or the parent University or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at: www.frc.org.uk/auditorsresponsibilities

Report on other legal and regulatory requirements

We are required to report on the following matters by the Accounts Direction dated 25 October 2019 issued by the Office for Students ('the Accounts Direction').

In our opinion, in all material respects:

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions; and
- the financial statements meet the requirements of the Accounts Direction dated 25 October 2019 issued by the Office for Students.

Matters on which we are required to report by exception

We are required by the Accounts Direction to report to you where the results of our audit work indicate that the Group's and the University's grant and fee income, as disclosed in note 3 to the financial statements, has been materially misstated.

We have nothing to report in these respects.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Board of Trustees, in accordance with the Articles, Charters, Statutes or Ordinances of the institution. Our audit work has been undertaken so that we might state to the Board of Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the Board of Trustees for our audit work, for this report, or for the opinions we have formed.

Fleur Nieboer (Senior Statutory Auditor) for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London

E14 5GL

29 November 2021

Statement of the University's Principal Accounting Policies

Nature and location of University

The University of London is a corporation established by Royal Charter in the United Kingdom in 1836. The headquarters of the University and the registered office of its subsidiary undertakings is Senate House, Malet Street, London, WC1E 7HU.

Basis of preparation

The Group's and parent University's financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019 edition). They have also been prepared in accordance with the 'carried forward' powers and duties of previous legislation (Further and Higher Education Act 1992 and the Higher Education Act 2004) and the new powers of the Higher Education and Research Act 2017 during the transition period to 31 July 2019, the Royal Charter, the Accounts Direction issued by the Office for Students (OfS), the terms and conditions of funding for higher education institutions issued by the Office for Students and the terms and conditions of Research England Grant.

The University is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable UK laws and accounting standards.

Going concern

The Group's and parent University's activities, together with the factors likely to affect their future development, performance and position, are set out in the Strategic Report which forms part of the Board of Trustees' Report. The Board of Trustees' Report also describes the financial position of the institution, its cash flows, liquidity position and borrowing facilities.

The financial statements have been prepared on a going concern basis which the Board of Trustees considers to be appropriate for the following reasons:

The University have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements and these have been approved by the Board of Trustees. After reviewing these forecasts the Board of Trustees is of the opinion that, taking account of severe but plausible downsides, including the possible

continued impact of COVID-19, the Group and parent University will have sufficient funds to meet their liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period), and have adequate resources to continue in existence for the foreseeable future.

The base case scenario considered in these forecasts has the following key assumptions:

- 1.6% salary increase;
- Occupancy rate of 94.2% and an eight-week COVID-19 lockdown during the period where 1,500 students pay reduced rent;
- A 5.2% growth in distance learning income, in line with student forecast expectations and the launch of 10 new programmes during the year;
- Increased estates revenue, reflecting sale of new leases in the year;
- Reduced commercial income, reflecting decreased conferencing income as a consequence of COVID-19.

In coming to its final decision that the going concern basis was appropriate, the Board of Trustees considered the very latest position on residences income and commercial income, and it noted that the University's financial performance in the three months to 31 October 2021 did not indicate any need to change assumptions in other areas and that cost savings targeted in 2021–2022 had been largely underpinned. Up to date downside scenarios were reviewed, and the Board of Trustees were satisfied that actions that might be necessary to assure continued compliance with the University's financing requirements were achievable.

Consequently, the Board of Trustees is confident that the Group and parent University will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Basis of accounting

The financial statements are prepared under the historical cost convention modified by the revaluation of certain fixed assets and derivative financial instruments.

Basis of consolidation

The consolidated financial statements include the University and subsidiary undertakings. Intra-group sales and profits are eliminated fully on consolidation.

Related party transactions

The University is partly funded by subscriptions from the Member Institutions within the federation and by charges for specific services supplied by the University to Member Institutions. Heads of Member Institutions within the federation are ex officio members of the Collegiate Council. The Member Institutions are not related parties because of their autonomy as independent higher education institutions.

Taxation

The University is an exempt charity under section 22 and Schedule 3 to the Charities Act 2011 and as such is a charitable company within the meaning of Part 11 of the Corporation Tax Act 2010 (CTA). Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 of Part 11 of the CTA 1990 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied only to charitable purposes.

The University receives no similar exemption in respect of Value Added Tax.

The University's subsidiary companies are subject to corporation tax and VAT in the same way as any commercial organisation.

Foreign currencies

Transactions made in foreign currency are recorded at the weekly rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currency are translated into sterling at the weekly year-end rate, and gains and losses arising on conversion are dealt with in the Statement of Comprehensive Income.

Intangible assets

Course, website and software development expenditure is charged to the Statement of Comprehensive Income in the year incurred unless it meets the recognition criteria for capitalisation as set out in FRS 102: 18.4 and 18.8H. When the recognition criteria have been met, then such expenditure is capitalised as an intangible asset under construction. When the asset becomes available for use, the expected useful economic life of the asset is estimated, and it is amortised on

a straight line basis over its useful life, with amortisation being an expense in the Statement of Comprehensive Income. An impairment test is carried out annually and where it is judged that the carrying value of the intangible asset exceeds the likely future economic benefit, then it is written down appropriately. The useful economic life of a new intangible asset does not exceed five years unless there is strong justification for this. Once the original intangible asset has started being amortised, if there is subsequent development work capitalised on that asset, this will be assessed by management. If it is deemed to be intrinsically related to the original development work capitalised, it will be amortised over the remaining life of the original intangible asset. If it is deemed to represent future economic benefit separate to that of the original development work, it will be capitalised separately and amortised over the new asset's useful life.

The useful economic lives of the intangible assets are as follows:

- Course development: 5 years
- Website development: 5 years
- Software: 5 years

Tangible fixed assets

Tangible fixed assets are operational assets whose risks and rewards belong to the University of London. This consists of both assets owned by the University and assets held by the University on a finance lease where the University is the lessee. Costs include the purchase price, irrecoverable VAT and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Refurbishment costs incurred in relation to buildings after initial measurement are capitalised to the extent that they increase the expected future economic benefits of the asset in question to the University. Assets that are let out on finance leases where the University is the lessor and investment property are excluded.

Property

The University has the following classes of property assets and bases of recognition:

- Freehold land: Recognised at fair value as deemed cost (i.e. fair value at 1 August 2014) and not depreciated due to its infinite useful economic life (UEL).
- Freehold buildings and refurbishment: Buildings, including any refurbishment prior to 1 August 2014, are recognised at fair value as deemed cost (i.e. fair value at 1 August 2014) and depreciated to their estimated residual value over the useful economic life of the asset. Building additions subsequent to 1 August 2014 are recognised at cost and

depreciated over the useful economic life of the building. Capital refurbishment subsequent to 1 August 2014, other than separately identifiable items of plant and equipment, to the extent that it increases future economic benefit to the University, is recognised at cost and depreciated over the useful economic life of the refurbishment asset.

- Long leasehold buildings and refurbishment: Buildings held on a finance lease where the University is the lessee are recognised at the inception of the lease as the lower of (i) the fair value of the building, and (ii) the present value of the minimum lease payments. This is depreciated over the lower of the useful economic life of the asset and the lease term. Capital refurbishment other than separately identifiable items of plant and equipment, to the extent that it increases future economic benefit to the University, is recognised at cost and depreciated over the useful economic life of the refurbishment asset.

The useful economic lives of the property assets are as follows:

- Land: infinite
- Buildings: 100 years
- Refurbishment costs: 3–20 years

Assets under construction

Assets under construction are not depreciated. A quarterly review of assets under construction is undertaken to assess whether the assets under construction are available for use, at which point they become depreciable assets and are reclassified appropriately.

Plant and equipment

Single items of plant and equipment costing £10,000 or more, or multiple items of plant and equipment whose functionality is intrinsically linked and which together cost £10,000 or more, are capitalised as plant and equipment assets. Capitalised assets are depreciated over their useful economic life. Single items under £10,000 are written off in the year of acquisition. Groups of items purchased together which individually cost under £10,000 and together cost £10,000 or more, but whose functionality is not intrinsically linked, are also written off in the year of acquisition.

The useful economic lives of the plant and equipment assets are as follows:

- Motor vehicles: 3 years
- Computing equipment: 3–5 years
- Boats and boating equipment: 10–25 years
- Other plant and machinery: 5–20 years

In cases where the asset class has a potential range of useful economic lives, the assets are assessed on an individual basis and assigned the most appropriate useful economic life from within that range.

Borrowing costs

Borrowing costs which are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised.

Leases: University as lessee

When the University enters into any lease agreements as lessee, the lease is reviewed. If there are any indicators of a finance lease implicit in the lease as set out in FRS 102: 20, a management decision is made over whether the lease is a finance lease or an operating lease.

Finance lease

When a lease is deemed to be a finance lease, the associated asset is recognised as an asset of the University of London. The amount recognised is the lower of the fair value and the present value of minimum lease payments at the time of the inception of the lease. This is then depreciated over the lower of the life of the lease and the UEL of the asset class to which it belongs.

Operating lease

When a lease is deemed to be an operating lease, the cost of lease payments and the reduction of cost of any lease incentives are recognised on a straight-line basis over the life of the lease. The leased asset is not recognised as the University's asset.

Leases: University as lessor

When an asset owned by the University of London is let out, the lease is reviewed. If there are any indicators of a finance lease implicit in the lease as set out in FRS 102: 20, a management decision is made over whether the lease is a finance lease or an operating lease.

Finance lease

When a lease is deemed to be a finance lease, the associated tangible fixed asset is derecognised, and a finance lease receivable is recognised. The finance lease receivable consists of the present value of the residual value of the asset on reversion to the University at the end of the lease, and the present value of any rental income receivable throughout the life of the lease. A rate deemed to be appropriate is used to calculate the finance income, and equivalent increase in finance lease receivable, during the life of the lease. Any rental income received is recognised as a reduction in the finance lease receivable. The finance lease receivable is reviewed annually for impairment.

Operating lease

When a lease is deemed to be an operating lease, income from lease payments and reduction of income of any lease incentives are recognised on a straight-line basis over the life of the lease. The leased asset remains the University's asset, and depreciation and any other costs associated with the asset are recognised as an expense.

Heritage assets

The University has received gifts and bequests of works of art, library collections and other decorative items. The University has also purchased works of art, rare books and manuscripts with funds from specific benefactions and public grants. All of these assets are held and maintained principally for their contribution to knowledge and culture.

Heritage assets are recognised at cost of acquisition or, in the case of donated assets, valuation at the date of donation. Where a valuation cannot be obtained at a cost which is commensurate with the benefits to users of the financial statements, the donated asset is not recognised but is disclosed in the note to the accounts. Historic assets which are used by the University are accounted for as tangible fixed assets.

Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material. Heritage assets are assessed annually for impairment.

Investments**Investment properties**

Investment properties are land and buildings owned by the University of London which are held for capital appreciation or rental income. All assets let out under finance leases are excluded.

Investment properties are held at fair value, and are revalued annually with the assistance of qualified external valuers. Any revaluation gain or loss is taken to income or expenditure. No depreciation is provided in respect of investment properties.

Subsidiaries

Investment in subsidiaries is held at the carrying amount which is deemed to be the net asset value of the subsidiary, less any impairment.

Other non-current investments

Other non-current investments are held at fair value and revalued at the end of each reporting period, with changes in fair value being recognised in the Statement of Comprehensive Income.

Current asset investments

Current asset investments comprise money on term deposits of longer than three months which is stated at the lower cost and net realisable value, and money market funds which are shown at market value in the Balance Sheet.

Stocks

Stocks, which principally comprise study materials for resale, are valued at the lower of cost and net realisable value, after making due provision for obsolete and slow-moving items.

Financial instruments

The University has elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition, measurement, and disclosure of 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 measured 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 another financial instruments, hedging instruments and asset-backed securities. Complex financial instruments are recognised initially and held at fair value with changes in fair value taken directly to the Statement of Comprehensive Income.

Cash flows and liquid resources

Cash flows comprise increases or decreases in cash. Cash includes cash in hand and deposits repayable within three months. Deposits repayable in more than three months are held as current asset investments.

Provisions and contingent liabilities

Provisions are recognised when the University has a present legal or constructive obligation as a result of a past event. It is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed by way of note when the definition of a provision is not met and include three scenarios: a possible rather than a present obligation; a possible rather than a probable outflow of economic benefits; and an inability to measure the economic outflow.

Pensions

The University participates in the University Superannuation Scheme (USS) and the Superannuation Arrangements of the University of London (SAUL). These are externally funded defined benefits schemes which are contracted out of the State Second Pension. The liabilities of both these schemes are valued every three years by professionally qualified independent actuaries using the projected unit method, the rates of contribution payable being determined by the trustees on the advice of the actuaries. In the intervening years, the actuaries review the progress of the schemes.

The University complies with FRS 102 28.11. Its defined benefit schemes (USS and SAUL) are all multi-employer schemes and, accordingly, given that it is not possible to identify the University's underlying share of their assets and liabilities, are accounted for as if they were defined contribution schemes. Contributions to defined contribution schemes, or schemes treated as defined contribution schemes, are recognised as an expense where already paid by year end, or are recognised as a liability where not paid by year end.

The University also complies with FRS 28.11A. The University has entered into agreements with USS and SAUL to fund their deficits, and recognises a liability for the contributions payable that arise from these agreements. The expense resulting from this liability and any movements in this liability are recognised in the Statement of Comprehensive Income.

The University also contributes to the French State Social Security System, an unfunded defined contribution scheme for the academic and non-academic staff at the University of London Institute in Paris; to Aegon, a defined contribution scheme, for the staff of CoSector Limited; to Singapore Central Provident fund, a defined contribution system, for the staff of Senate House Worldwide Limited Singapore branch; and to the National Employment Savings Trust, a defined contribution scheme, for individuals employed via CoSector's Temp Agency.

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 the University. Any unused benefits are accrued and measured as the additional amount the University expects to pay as a result of the unused entitlement.

Grants

All grants are accounted for under the performance model. Income received in advance of performance-related conditions being met is recognised as deferred income within creditors on the Balance Sheet and released to income as the conditions are met.

Capital grants with performance conditions for both land and buildings, and revenue grants with performance conditions, from both Funding Bodies and from other sources, are recognised initially as deferred income, and then released to the Statement of Comprehensive Income on entitlement.

Capital grants with restrictions but without performance conditions for both land and buildings, and revenue grants with restrictions but without performance conditions, from both Funding Bodies and from other sources, are recognised in the Statement of Comprehensive Income on entitlement, and are subsequently recorded within restricted reserves.

Donations and endowments

Donations and endowments are a subset of non-exchange transactions that may have restrictions on use and, in the case of donations, may also have performance-related conditions attached. In all cases, income is recognised at the point the income can be reliably measured, receipt of the income can be legally enforced and receipt is considered probable.

Donations with performance conditions are recognised as deferred income, and recognised in the statements of comprehensive income on entitlement to income when the performance conditions are met.

Unrestricted donations are recognised in the Statement of Comprehensive Income on entitlement to income and form part of the movement of unrestricted reserves.

Restricted donations which can be spent on the specified activity within a short period of time are recognised in the Statement of Comprehensive Income on entitlement to income and form part of the movement of restricted reserves. Expenditure incurred on the activity to which the donation was restricted, to the value of that donation, also forms part of the movement of restricted reserves.

Restricted donations which could not be spent within a short period of time are recognised as expendable endowments.

Expendable endowments comprise restricted donations to the University that could not be spent within a short period of time and Trusts of which the University is a Trustee with no permanent restrictions on capital. Income is recognised in the Statement of Comprehensive Income on entitlement. Donation income, any investment income arising from investment of the funds, and expenditure incurred in line with the purpose of the donation or Trust, form part of the creation of, and movement in, expendable endowment reserves. Endowment assets may be held as non-current investments or cash.

Permanently restricted endowments comprise donations to the University and Trusts of which the University is a Trustee where the donor has specified that the fund is to be

permanently invested to generate an income stream to be applied to a particular objective. Income is recognised in the Statement of Comprehensive Income on entitlement. Donation income, any investment income arising from investment of the funds and expenditure incurred in line with the purpose of the donation or Trust form part of the creation of, and movement in, permanent endowment reserves.

Reserves

Reserves are classified as restricted or unrestricted. Restricted endowment reserves include balances which, through endowment to the University, are held as a permanently restricted fund which the University must hold in perpetuity.

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

Income recognition

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

Fee income is stated gross and credited to the Statement of Comprehensive Income over the period the students are studying. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

All investment income from short-term deposits is recorded on a receivable basis and is credited to the Statement of Comprehensive Income in the period in which it is earned.

Service concessions

Where the University is the grantor in a service concession arrangement, infrastructure assets are recognised on the Balance Sheet at the present value of the minimum lease payments when the assets are brought into use with a corresponding financial liability. Payments under the service concession arrangement are allocated between service costs, finance charges and financial liability repayments to reduce the financial liability to nil over the life of the arrangement. Where the University does not recognise a liability to make payments, it does not recognise an infrastructure asset.



Consolidated and University Statement of Comprehensive Income

For the year ended 31 July 2021

		Year ended 31 July 2021		Year ended 31 July 2020	
	Notes	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Income					
Tuition fees and education contracts	1	84,978	84,978	64,017	64,017
Funding body grants	2	8,711	8,711	8,673	8,673
Research grants and contracts	3	1,832	1,832	2,836	2,836
Property income	4	38,740	37,522	41,439	40,222
Other income	5	28,756	26,597	33,826	30,261
Investment income	6	3,472	3,522	3,556	3,720
Donations and endowments	7	806	806	1,066	1,066
Total income		167,295	163,968	155,413	150,795
Expenditure					
Staff costs excluding USS pension deficit movement	8	63,520	63,110	60,743	60,162
USS pension deficit movement		(5,253)	(5,253)	(11,418)	(11,418)
Total staff costs		58,267	57,857	49,325	48,744
Other operating expenses	10	105,766	102,550	104,611	100,696
Depreciation	13	6,539	6,512	5,952	5,911
Interest and other finance costs	9	3,126	3,126	3,053	3,053
Total expenditure	10	173,698	170,045	162,941	158,404
(Deficit) / Surplus before other gains and losses		(6,403)	(6,077)	(7,528)	(7,609)
Gain on disposal of fixed assets		8,969	8,969	5,701	5,701
Gain on investments	16	6,874	6,552	44,265	44,341
Surplus before tax		9,440	9,444	42,438	42,433
Taxation	11	1	-	(1)	-
Total comprehensive income and expenditure					
for the year		9,441	9,444	42,437	42,433
Represented by					
Endowment comprehensive income for the year	23	18,025	18,025	(7,535)	(7,535)
Restricted comprehensive income for the year	24	208	208	86	86
Unrestricted comprehensive income and expenditure					
for the year		(8,792)	(8,789)	49,886	49,882
		9,441	9,444	42,437	42,433

All (deficit) / surplus for the year is attributable to the University

All comprehensive income and expenditure for the year is attributable to the University

All items of income and expenditure relate to continuing activities

Consolidated and University Statement of Changes in Reserves

For the year ended 31 July 2021

	Income and expenditure account			Total £'000
	Endowment £'000	Restricted £'000	Unrestricted £'000	
Consolidated				
Balance at 1 August 2019	95,816	321	548,239	644,376
(Deficit) / surplus from the income and expenditure statement	(4,653)	434	46,656	42,437
Release of restricted funds spent in year	(2,882)	(348)	3,230	-
Total comprehensive income and expenditure for the year	(7,535)	86	49,886	42,437
Balance at 1 August 2020	88,281	407	598,125	686,813
(Deficit) / surplus from the income and expenditure statement	20,210	450	(11,219)	9,441
Release of restricted funds spent in year	(2,185)	(242)	2,427	-
Total comprehensive income and expenditure for the year	18,025	208	(8,792)	9,441
Balance at 31 July 2021	106,306	615	589,333	696,254
	Income and expenditure account			Total £'000
	Endowment £'000	Restricted £'000	Unrestricted £'000	
University				
Balance at 1 August 2019	95,816	321	548,241	644,378
(Deficit) / surplus from the income and expenditure statement	(4,653)	434	46,652	42,433
Release of restricted funds spent in year	(2,882)	(348)	3,230	-
Total comprehensive income and expenditure for the year	(7,535)	86	49,882	42,433
Balance at 1 August 2020	88,281	407	598,123	686,811
(Deficit) / surplus from the income and expenditure statement	20,210	450	(11,216)	9,444
Release of restricted funds spent in year	(2,185)	(242)	2,427	-
Total comprehensive income and expenditure for the year	18,025	208	(8,789)	9,444
Balance at 31 July 2021	106,306	615	589,334	696,255

Consolidated and University Balance Sheet

For the year ended 31 July 2021

		At 31 July 2021		At 31 July 2020	
	Notes	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Non-current assets					
Intangible assets	12	7,313	7,313	7,702	7,702
Fixed assets	13	509,895	509,886	553,389	553,353
Heritage assets	13, 14	13,200	13,200	13,200	13,200
Non-current investments	16	279,711	280,322	258,917	259,850
Debtors: amounts falling due after more than one year	18	-	1,876	-	1,826
		810,119	812,597	833,208	835,931
Current assets					
Stock	17	246	246	398	398
Trade and other receivables	18	15,494	17,178	28,129	27,275
Cash and cash equivalents	25	65,478	60,789	36,668	33,480
		81,218	78,213	65,195	61,153
Less: Creditors: amounts falling due within one year	19	(45,608)	(45,080)	(55,479)	(54,162)
Net current assets		35,610	33,133	9,716	6,991
Total assets less current liabilities		845,729	845,730	842,924	842,922
Creditors: amounts falling due after more than one year	20	(134,825)	(134,825)	(136,454)	(136,454)
Provisions					
Pension provisions	21	(13,926)	(13,926)	(19,039)	(19,039)
Other provisions	21	(724)	(724)	(618)	(618)
Total net assets		696,254	696,255	686,813	686,811
Restricted reserves					
Income and expenditure reserve – endowment reserve	23	106,306	106,306	88,281	88,281
Income and expenditure reserve – restricted reserve	24	615	615	407	407
Unrestricted reserves					
Income and expenditure reserve – unrestricted		589,333	589,334	598,125	598,123
Total reserves		696,254	696,255	686,813	686,811

The financial statements were approved by the Board of Trustees on 24 November 2021 and were signed on its behalf on that date by:

Sir Richard Dearlove
Chair, Board of Trustees

Professor Wendy Thomson
Vice-Chancellor

Consolidated Cash Flow Statement

For the year ended 31 July 2021

	Notes	Year ended 31 July 2021 £'000	Year ended 31 July 2020 £'000
Cash flow from operating activities			
(Deficit) / Surplus for the year before tax		9,440	42,438
Adjustment for non-cash items			
Depreciation	13	6,539	5,952
Amortisation of intangibles	12	2,363	2,049
Loss/(gain) on investments	16	(6,918)	(43,953)
Decrease/(increase) in stock	17	152	302
Decrease/(increase) in debtors	18	12,635	(10,254)
Increase/(decrease) in creditors	19, 20	(11,251)	17,552
Increase/(decrease) in pension provision	21	(5,113)	(10,932)
Increase/(decrease) in other provisions	21	106	(1,347)
Adjustment for investing or financing activities			
Investment income	6	(3,472)	(3,556)
Interest payable	9	2,685	2,494
(Gain)/loss on the sale of fixed assets		(8,969)	(5,701)
Capital grant income	2	(82)	(78)
Cash flows from operating activities		(1,885)	(5,034)
Taxation	11	1	(1)
Net cash (out)/inflow from operating activities		(1,884)	(5,035)
Cash flows from investing activities			
Proceeds from sales of tangible assets		34,980	8,077
Capital grants receipts	2	82	78
Investment income	6	3,472	3,556
Payments made to acquire fixed assets	13	(2,780)	(11,661)
Payments made to acquire intangible assets	12	(1,974)	(2,769)
New non-current asset investments	16	(152)	(9,404)
		33,628	(12,123)
Cash flows from financing activities			
Interest paid	9	(2,685)	(2,494)
New unsecured loans	20	511	25,000
Repayment of borrowings	19	(760)	(742)
		(2,934)	21,764
Increase/(decrease) in cash and cash equivalents in the year		28,810	4,606
Cash and cash equivalents at beginning of the year	25	36,668	32,062
Cash and cash equivalents at end of the year	25	65,478	36,668

Notes to the Financial Statements

For the year ended 31 July 2021

	Notes	Year ended 31 July 2021		Year ended 31 July 2020	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
1	Tuition fees and education contracts				
	Distance learning students	82,954	82,954	62,337	62,337
	Full-time home and EU students	445	445	448	448
	Full-time overseas students	471	471	424	424
	Part-time students	1,108	1,108	808	808
		84,978	84,978	64,017	64,017
2	Funding body grants				
	Recurrent grant				
	Research England	8,629	8,629	8,595	8,595
	Capital grant	82	82	78	78
		8,711	8,711	8,673	8,673
3	Research grants and contracts				
	Research councils	533	533	697	697
	Research charities	351	351	612	612
	Government (UK and overseas)	802	802	1,305	1,305
	Other	146	146	222	222
		1,832	1,832	2,836	2,836
	The source of the grant and fee income, included in notes 1 to 3 is as follows:				
	Grant and fee income				
	Grant income from the OfS	18	18	10	10
	Grant income from other bodies	10,525	10,525	11,499	11,499
	Fee income for research awards	652	652	613	613
	Fee income from non-qualifying courses	797	797	486	486
	Fee income for taught awards	83,529	83,529	62,918	62,918
		95,521	95,521	75,526	75,526
4	Property income				
	Residences, catering and conferences	26,636	25,418	35,370	34,153
	Estates revenue	12,104	12,104	6,069	6,069
		38,740	37,522	41,439	40,222

Notes to the Financial Statements

For the year ended 31 July 2021

	Notes	Year ended 31 July 2021		Year ended 31 July 2020	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
5 Other income					
Member institutions: Subscriptions and charges		14,114	14,114	14,255	14,255
Other revenue grants		823	823	642	642
Job Rentention Scheme		627	611	595	556
Other income		13,192	11,049	16,591	13,065
Arrangements with HEE		-	-	1,743	1,743
		28,756	26,597	33,826	30,261
6 Investment income					
Investment income on endowments	23	1,807	1,807	2,123	2,123
Other investment income		1,665	1,715	1,433	1,597
		3,472	3,522	3,556	3,720
7 Donations and endowments					
Donations with restrictions	23, 24	409	409	381	381
Unrestricted donations		397	397	685	685
		806	806	1,066	1,066
8 Staff costs					
Salaries		46,668	46,321	43,621	43,148
Social security costs		5,206	5,163	5,146	5,070
Movement on USS provision		(5,253)	(5,253)	(11,418)	(11,418)
Movement on SAUL provision		-	-	-	-
Other pension costs		11,646	11,626	11,976	11,944
Total		58,267	57,857	49,325	48,744
The above is analysed as follows:					
University and subsidiaries		58,267	57,857	49,320	48,739
HEE		-	-	5	5
Total		58,267	57,857	49,325	48,744
Included within Salaries is £1.7m in relation to employee holiday allowances that have been accrued but not taken.					
				2021	2020
				No.	No.
Average full-time equivalent staff numbers:					
University and subsidiaries				1,014	989
				1,014	989

In November 2020, the University brought its cleaning services provision in-house, which involved the transfer in of c.80 individuals.

Notes to the Financial Statements

For the year ended 31 July 2021

8 Staff costs (continued)

	2021 No.	2020 No.
Number of staff whose basic pay is over £100,000:		
£100,000 to £104,999	7	5
£105,000 to £109,999	2	3
£110,000 to £114,999	2	5
£115,000 to £119,999	1	1
£120,000 to £124,999	2	1
£125,000 to £129,999	2	2
£135,000 to £139,999	1	-
£140,000 to £144,999	-	-
£155,000 to £159,999	1	1
£160,000 to £164,999	-	1
£165,000 to £169,999	-	1
£230,000 to £234,999	1	1
£270,000 to £274,999	1	-
	20	21

	Year ended 31 July 2021 £	Year ended 31 July 2020 £
Total remuneration of the Vice-Chancellor paid in the year:		
Basic salary	270,000	290,000
Payments in lieu of pension contributions	21,060	23,400
Performance related pay, bonuses and other remuneration	-	-
Taxable and non-taxable benefits	-	-
Pension contributions	-	-
	291,060	313,400
Total remuneration of the Vice-Chancellor waived in the year:		
Basic salary waived	30,000	-
Payments in lieu of pension contributions waived	2,340	-
	323,400	313,400

The role of the Vice-Chancellor of the University of London is unique as it combines the role of chief executive of a prestigious, high-performing organisation with convening a federal community of 17 other independent universities. The University collaborates to deliver a range of world-leading education-based services and through its online, blended and flexible learning programmes reaches out to thousands of students across more than 190 countries globally. The University also has a significant property portfolio. The University employs c.1,000 staff and generates an annual income in excess of £165 million.

The role of Vice-Chancellor requires particular skills as well as personal standing, gravitas and influence. The pool of potential candidates for the role is consequently limited and therefore offering a competitive reward package is essential to attract and retain the best people.

Notes to the Financial Statements

For the year ended 31 July 2021

8 Staff costs (continued)

The Vice-Chancellor's remuneration has been determined by the University's Remuneration Committee. The Committee is responsible for reviewing the Vice-Chancellor's performance against expectations set by the Chair of the Board of Trustees. At its meeting held in January 2021 the Committee agreed that there was a strong rationale for the Vice-Chancellor to continue to be engaged on a full-time basis citing, inter alia, the ongoing impact of the COVID-19 pandemic on the University's operations, the financial strain on the University, the implementation of the University's ambitious new Strategy and the significant movement in the University's most senior team.

The Vice-Chancellor's remuneration is currently aligned with the upper quartile of basic pay for Heads of Institution in the UCEA 2020 Senior Staff Remuneration Survey (Pre-92 universities by institutional income). The current Vice-Chancellor receives a payment in lieu of pension contributions consistent with an agreement reached by the University's Remuneration Committee in 2016 to offer a cash supplement to high earning individuals impacted by changes in the Lifetime Tax Allowance. The Vice-Chancellor voluntarily took a 10% reduction in pay during the period 1 August 2020 to 31 July 2021.

Pay ratios

The full-time equivalent basic salary of the Vice-Chancellor during the year was 8.2 times the median pay of staff. The median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff (2020: 7.8). Basic salary includes basic annual full-time equivalent pay only.

The full-time equivalent total remuneration of the Vice-Chancellor during the year was 8.0 times the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider to its staff (2020: 7.2). Total remuneration includes basic pay, payments in lieu of pension payments, honoraria and employer pension.

The median pay and median total remuneration of staff is based on the full-time equivalent salaries of all staff who are included in the Staff Return submitted to HESA and reported in real time. This excludes agency staff, self-employed contractors, honorary contracts where the contract is not deemed to be a contract of employment, staff employed directly by CoSector Limited, contractors paid via a personal services company, overseas staff, staff employed via the CoSector Temp Agency and examiners. The University collects FTE data in order to submit the Staff Return to HESA, and these categories of staff are not included in the HESA Staff Return. As a result these categories of staff have been excluded from the calculation of median pay because FTE data have not been collected and verified for them and the data are not held in an easily accessible format that could be collated within the timescales available.

Compensation for loss of office

Compensation for loss of office of the following amounts, paid to the following number of staff, is included with Salaries and other staff costs

	Year ended 31 July 2021		Year ended 31 July 2020	
	£'000	No. of staff	£'000	No. of staff
University and subsidiaries	3,029	132	623	39

The University undertook a significant change programme during 2020–2021 that affected around 40% of employees in addition to running a Voluntary Redundancy programme. Through these programmes c.10% of all employees exited voluntarily on enhanced redundancy terms, with many receiving payment in lieu of contractual notice. These programmes account for the majority of the cost outlined above.

Notes to the Financial Statements

For the year ended 31 July 2021

8 Staff costs (continued)

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs include compensation paid to key management personnel and employer's pension contributions.

Key management personnel are deemed to be the 10 (2020: eight) members of staff who, along with the Vice-Chancellor, have been members of the Vice-Chancellor's Executive Group, and the members of the Board of Trustees, none of whom are remunerated for their services (see note 30).

	Year ended 31 July 2021	Year ended 31 July 2020
	£	£
Key management personnel compensation	1,281	1,271

9 Interest and other finance costs

	Notes	Year ended 31 July 2021		Year ended 31 July 2020	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Loan interest		2,685	2,685	2,494	2,494
Exchange differences		300	300	73	73
Net charge on pension scheme	22	141	141	486	486
		3,126	3,126	3,053	3,053

10 Analysis of total expenditure by activity

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Academic and related expenditure	89,458	89,424	80,000	79,930
Premises	16,303	15,397	15,860	15,859
Residences, catering and conferences	32,082	31,831	34,998	34,015
Administration and central services	26,445	26,436	21,409	21,401
Defined benefit pension deficit movement	(5,253)	(5,253)	(11,418)	(11,418)
Research grants and contracts	1,707	1,707	2,659	2,659
Other expenses	12,956	10,503	19,428	15,953
Arrangements with HEE	-	-	5	5
	173,698	170,045	162,941	158,404

Notes to the Financial Statements

For the year ended 31 July 2021

10 Analysis of total expenditure by activity (continued)

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Other operating expenses include:				
External auditor's remuneration in respect of statutory audit services (inclusive of VAT)	154		154	
External auditor's remuneration in respect of non-statutory audit services (inclusive of VAT)	4		4	
External auditor's remuneration in respect of other services (inclusive of VAT)	57		125	
Operating lease rentals				
Land and buildings	540		2,223	
Other	131		193	
Stock recognised as an expense	1		157	

Analysis of total consolidated expenditure by activity and by nature

	Staff costs 2021 £'000	Defined benefit pension deficit movement 2021 £'000	Other operating expenses 2021 £'000	Finance depreciation 2021 £'000	Total costs 2021 £'000	Total expenditure 2021 £'000	Total expenditure 2020 £'000
Academic and related expenditure	28,494	-	60,689	275	-	89,458	80,000
Premises	4,525	-	7,399	4,324	55	16,303	15,860
Residences, catering and conferences	2,630	-	25,377	1,798	2,277	32,082	34,998
Administration and central services	17,528	-	8,009	115	793	26,445	21,409
Defined benefit pension deficit movement	-	(5,253)	-	-	-	(5,253)	(11,418)
Research grants and contracts	1,411	-	295	-	1	1,707	2,659
Other expenses	8,932	-	3,997	27	-	12,956	19,428
Arrangements with HEE	-	-	-	-	-	-	5
	63,520	(5,253)	105,766	6,539	3,126	173,698	162,941

Notes to the Financial Statements

For the year ended 31 July 2021

11 Taxation

Recognised in the Statement of Comprehensive Income

	2021 Consolidated £'000	2020 Consolidated £'000
Current tax		
Current tax expense	-	-
Foreign tax suffered in current year	(1)	1
Adjustment in respect of previous years	-	-
Research and development tax credits	-	-
Current tax expense	(1)	1
Deferred tax		
Origination and reversal of timing differences	-	-
Reduction in tax rate	-	-
Recognition of previously unrecognised tax losses	-	-
Deferred tax expense	-	-
Total tax expense	(1)	1

12 Intangible assets

	Course development £'000	Assets in the course of construction £'000	Website development £'000	Software £'000	Total £'000
Opening balance at 1 August 2020	3,481	1,494	405	2,322	7,702
Additions in the year	-	1,974	-	-	1,974
Transfers	1,957	(2,502)	-	545	-
Disposals	-	-	-	-	-
Amortisation charge for the year	(1,406)	-	(147)	(810)	(2,363)
Closing balance at 31 July 2021	4,032	966	258	2,057	7,313

Amortisation is included with Other operating expenses in the Consolidated Statement of Comprehensive Income.

Notes to the Financial Statements

For the year ended 31 July 2021

13 Fixed assets

	Freehold land £'000	Freehold buildings £'000	Leasehold land and buildings £'000	Assets in the course of construction £'000	Plant and equipment £'000	Heritage assets £'000	Total £'000
Consolidated							
Cost or valuation							
At 1 August 2020	163,493	383,169	28,471	2,813	10,965	13,200	602,111
Additions	-	-	-	2,933	-	-	2,933
Transfers	-	1,736	126	(1,862)	-	-	-
Disposals	-	(28,198)	(8)	(120)	(48)	-	(28,374)
Reclassification of property	(13,724)	-	-	-	-	-	(13,724)
At 31 July 2021	149,769	356,707	28,589	3,764	10,917	13,200	562,946
Depreciation							
At 1 August 2020	-	(23,232)	(3,875)	-	(8,415)	-	(35,522)
Charge for the year	-	(5,300)	(563)	-	(676)	-	(6,539)
Disposals	-	2,187	-	-	23	-	2,210
Reclassification of property	-	-	-	-	-	-	-
At 31 July 2021	-	(26,345)	(4,438)	-	(9,068)	-	(39,851)
Net book value							
At 31 July 2021	149,769	330,362	24,151	3,764	1,849	13,200	523,095
At 31 July 2020	163,493	359,937	24,596	2,813	2,550	13,200	566,589
University							
Cost and valuation							
At 1 August 2020	163,493	383,169	28,471	2,813	10,515	13,200	601,661
Additions	-	-	-	2,933	-	-	2,933
Transfers	-	1,736	126	(1,862)	-	-	-
Disposals	-	(28,198)	(8)	(120)	-	-	(28,326)
Reclassification of property	(13,724)	-	-	-	(48)	-	(13,772)
At 31 July 2021	149,769	356,707	28,589	3,764	10,467	13,200	562,496
Depreciation							
At 1 August 2020	-	(23,232)	(3,875)	-	(8,001)	-	(35,108)
Charge for the year	-	(5,300)	(563)	-	(649)	-	(6,512)
Disposals	-	2,187	-	-	23	-	2,210
Reclassification of property	-	-	-	-	-	-	-
At 31 July 2021	-	(26,345)	(4,438)	-	(8,627)	-	(39,410)
Net book value							
At 31 July 2021	149,769	330,362	24,151	3,764	1,840	13,200	523,086
At 31 July 2020	163,493	359,937	24,596	2,813	2,514	13,200	566,553

See note 16 for disclosure on the reclassification of freehold land to investment properties.

Notes to the Financial Statements

For the year ended 31 July 2021

14 Heritage assets

The University has a large collection of heritage assets that are held and maintained principally for their contribution to knowledge and culture.

The University of London Artworks Collection includes historic paintings, prints, drawings, photographs, silverware, ceramics, textiles, sculptures and artefacts in various materials. Many items illustrate the history and development of the University of London and prominent individuals. This collection numbers over 400 pieces and is a mixture of acquired and donated artwork. Coram James valued this collection during the year ended 31 July 2016 at £2,416,300. The collection is normally on display at various locations on the University's premises, or in the case of some of the more delicate items, viewable by appointment. More details can be found at <http://www.senatehouselibrary.ac.uk/our-collections/special-collections/university-london-artworks-collection>

The University of London Senate House Library holds the highest proportion of special collections, manuscripts and archives of any UK university library. There are c.12 million items managed by the Historical Collections Department. The Collections are open to all Library members and available to view on request in the Special Collections Reading Room. The diverse nature of the assets held, the number of assets held and the lack of comparable market values means the University considers that the costs of valuing each item in the special collection would be onerous and not commensurate with the benefits to users of the financial statements. More details can be found at <http://www.senatehouselibrary.ac.uk/our-collections/special-collections/>

For insurance purposes, 19 of the books and manuscripts considered by the Historical Collections Department to be the most cultural significant or rarest were valued by Dominic Winter during the year ended 31 July 2016. The total value of this collection according to Dominic Winter's valuation is £10.545 million.

No new heritage assets have been purchased or donated during the year ended 31 July 2021. During the year ended 31 July 2019, there was a transfer in the ownership of the CNAA Art Collection Trust to the University on 1 August 2018. The transfer included 30 works of art. These were valued by Coram James at the transfer date of 1 August 2018 at a total of £239,450.

Heritage Assets are assessed annually to consider whether there are indicators of impairment in the years where no professional valuation has taken place. In the years where a professional valuation has taken place, the new valuations are compared to the carrying amounts to identify any indications of impairment. It has been determined that there is no need for impairment.

15 Service Concession Arrangements

The University has two off-Balance Sheet arrangements, both where service delivery has commenced.

The Garden Halls (Cartwright Gardens)

On 4 July 2014 the University entered into a 52-year contract with a third party provider for the provision and maintenance of The Gardens Halls, which provides accommodation to 1,200 students.

The halls were brought into use in September 2016 and the contract will finish on 31 August 2066.

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

Under the arrangement, the University has no minimum guaranteed payment and therefore no asset and liability to recognise on the Balance Sheet.

Eleanor Rosa House (formerly known as Duncan House)

On 20 December 2016 the University entered into a 53-year contract with a third party provider for the provision and maintenance of Eleanor Rosa House Halls of Residence, which provides accommodation to 511 students.

The Halls were brought into use in September 2019 and the contract will finish on 31 August 2069.

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

Under the arrangement, the University has no minimum guaranteed payment and therefore no asset and liability to recognise on the Balance Sheet.

Notes to the Financial Statements

For the year ended 31 July 2021

16 Non-current investments

	Subsidiary companies £'000	Freehold investment properties £'000	Other non-current investments £'000	University investment in Unified Trust Fund £'000	Endowments' investment in Unified Trust Fund £'000	Total £'000
Consolidated						
At 1 August 2020		151,145	8,149	11,342	84,974	255,610
Additions		-	208	-	-	208
Property reclassification		13,724	-	-	-	13,724
Transfers from cash		-	-	-	(56)	(56)
Revaluation		(13,304)	-	2,141	18,037	6,874
At 31 July 2021		151,565	8,357	13,483	102,955	276,360
Short-term deposits and cash					3,351	3,351
	-	151,565	8,357	13,483	106,306	279,711
University						
At 1 August 2020	933	151,145	8,149	11,342	84,974	256,543
Additions	-	-	208	-	-	208
Property reclassification	-	13,724	-	-	-	13,724
Transfers from cash	-	-	-	-	(56)	(56)
Revaluation	-	(13,304)	-	2,141	18,037	6,874
Subsidiaries' net assets movement	(322)	-	-	-	-	(322)
At 31 July 2021	611	151,565	8,357	13,483	102,955	276,971
Short-term deposits and cash					3,351	3,351
	611	151,565	8,357	13,483	106,306	280,322
Other non-current investments consist of:						
	Consolidated and University					£'000
UPP Cartwright Gardens (Holdings) Limited share capital and premium						211
UPP Cartwright Gardens (Holdings) Limited loan						5,471
UPP Duncan House (Holdings) Limited share capital and premium						157
UPP Duncan House (Holdings) Limited loan						2,518
						8,357

Notes to the Financial Statements

For the year ended 31 July 2021

16 Non-current investments (continued)

Investment in subsidiary companies at net asset value

CoSector Limited is a company registered in England and has an issued share capital of 6,000 £1 ordinary shares, with the University of London as its sole shareholder. The company number is 09589872. The principal activity of the company during the year was the provision of operational services to the University of London and third parties. At 31 July 2021 CoSector Limited had net assets of £555,000 and accordingly, in the Balance Sheet of the University at this date, the value of investments, including the subsidiary, is increased by this amount.

Senate House Services One Limited is a company registered in England and has an issued share capital of one £1 ordinary share, with the University of London as its sole shareholder. The company number is 10236705. The principal activity of the company is the provision of operational services to third parties. At 31 July 2021 Senate House Services One Limited had net assets of nil, so there is no impact on the Balance Sheet of the University.

Senate House Worldwide Limited is a company registered in England and has an issued share capital of one £1 ordinary share, with the University of London as its sole shareholder. The company number is 10756718. The principal activity of the company is the provision of operational services to the University of London. At 31 July 2021 Senate House Worldwide Limited had net assets of £56,000 and accordingly, in the Balance Sheet of the University at this date, the value of investments, including the subsidiary, is increased by this amount.

Prosum Shared Services Limited is a company registered in England and has an issued share capital of one £1 ordinary share, with the University of London as its sole shareholder. The company number is 07960364. The company has not traded in the year.

Investment properties

The investment properties (all freehold) were valued at 31 July 2021 by CBRE Ltd, Chartered Surveyors. In the year ended 31 July 2020 and 31 July 2021, the valuation methodology for 52–60 Gower Street is on a development basis. The remaining properties continue to be valued by capitalising both the term at passing rent and the reversionary interest at market rent. Appropriate yields have been applied to the term and reversion respectively in order to provide an investment value of the University's interest in the land and buildings after making allowance for purchaser's costs.

The property markets were negatively impacted as a consequence of COVID-19. Therefore, the valuation carried out by CBRE Ltd for the year ended 31 July 2020 was reported as being subject to a 'material valuation uncertainty' due to the unknown future impact that COVID-19 might have on the real estate market as at 31 July 2020. The University is satisfied that the balances reported were not materially misstated. Since 11 October 2020, this material uncertainty clause was removed and there has been no significant movement in the property market that would impact on these valuations.

Transfers into investment properties

Following the grant of a long lease on an operational property, the freehold land was reclassified as an investment property during the year and transferred to investments (see note 13). This has then been revalued as at 31 July 2021 as part of the annual valuation.

Investment in the Unified Trust Fund

The holdings in the Unified Trust Fund are held at market value. Most institutional and retail investor property funds, including Property Income Trust for Charities (PITCH), suspended dealing following FCA best practice given the material uncertainty as property markets were negatively impacted by COVID-19 in Q1 2020. As PITCH was suspended at 31 July 2020, the valuation of PITCH for the year ended 31 July 2020 was based on NAV for this fund rather than bid pricing. PITCH reopened for dealing on 22 September 2020 and therefore the valuation of PITCH for the year ended 31 July 2021 is based on bid pricing.

17 Stock

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Finished goods	246	246	398	398
	246	246	398	398

Notes to the Financial Statements

For the year ended 31 July 2021

18 Trade and other receivables

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Amounts falling due within one year:				
Research grants receivables	98	98	201	201
Other trade receivables	3,284	3,158	17,559	16,928
Other receivables	5,124	5,124	2,238	2,235
Prepayments	1,824	1,749	2,576	2,491
Accrued income	5,164	5,149	5,555	5,406
Amounts due from subsidiary companies	-	1,900	-	14
	15,494	17,178	28,129	27,275
Amounts falling due after more than one year:				
Amounts due from subsidiary companies	-	1,876	-	1,826
	15,494	19,054	28,129	29,101

19 Creditors : amounts falling due within one year

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Trade payables	1,825	1,807	918	873
Social security and other taxation payable	1,787	1,777	5,005	4,925
Accruals	25,439	25,320	17,585	17,092
Deferred income	13,093	12,715	28,825	28,214
Other payables	2,684	2,681	2,384	2,296
Unsecured loans repayable within one year	780	780	762	762
Amounts due to subsidiary companies	-	-	-	-
	45,608	45,080	55,479	54,162

Deferred income with performance related conditions

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

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Grant income	996	996	772	772
	996	996	772	772

Notes to the Financial Statements

For the year ended 31 July 2021

20 Creditors: amounts falling due after more than one year

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Deferred income	61,558	61,558	62,920	62,920
Unsecured loans	73,267	73,267	73,534	73,534
	134,825	134,825	136,454	136,454

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Analysis of deferred income:				
Long-term halls deferred income to be released within one year	1,362	1,362	1,362	1,362
Other deferred income to be released within one year	11,731	11,353	27,463	26,852
Included within Accruals and Deferred income in note 19	13,093	12,715	28,825	28,214
Long-term halls deferred income to be released between one and two years	1,362	1,362	1,362	1,362
Long-term halls deferred income to be released between two and five years	4,086	4,086	4,086	4,086
Long-term halls deferred income to be released in five years or more	56,110	56,110	57,472	57,472
To be released after more than one year	61,558	61,558	62,920	62,920
Total deferred income	74,651	74,273	91,745	91,134

Analysis of unsecured loans:				
Due within one year or on demand (note 19)	780	780	762	762
Due between one and two years	1,111	1,111	778	778
Due between two and five years	27,161	27,161	27,105	27,105
Due in five years or more	44,995	44,995	45,651	45,651
Due after more than one year	73,267	73,267	73,534	73,534
Total unsecured loans	74,047	74,047	74,296	74,296

Included in loans are the following:

Lender	Amount £'000	Term	Interest rate %	Borrower
RBS (unsecured)	48,089	2047	5.10	University
NatWest (unsecured)	25,000	2023	LIBOR plus 0.52	University
	73,089			

Repayment on the RBS unsecured loan started in 2018.

Notes to the Financial Statements

For the year ended 31 July 2021

21 Provisions for liabilities

Consolidated	Obligation to fund deficit on USS pension £'000	Obligation to fund deficit on SAUL pension £'000	Total pensions provisions £'000	Other provisions £'000	Total provisions £'000
At 1 August 2020	19,039	-	19,039	618	19,657
Additions	-	-	-	375	375
Utilised	-	-	-	(269)	(269)
Released	(5,113)	-	(5,113)	-	(5,113)
At 31 July 2021	13,926	-	13,926	724	14,650

University	Obligation to fund deficit on USS pension £'000	Obligation to fund deficit on SAUL pension £'000	Total pensions provisions £'000	Other provisions £'000	Total provisions £'000
At 1 August 2020	19,039	-	19,039	618	19,657
Additions	-	-	-	375	375
Utilised	-	-	-	(269)	(269)
Released	(5,113)	-	(5,113)	-	(5,113)
At 31 July 2021	13,926	-	13,926	724	14,650

USS deficit

The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arises from the contractual obligation with the pension scheme for total payments relating to benefits arising from past performance. Management has assessed future employees within the USS scheme and salary payment over the period of the contracted obligation in assessing the value of this provision.

Following the completion of the 2018 actuarial valuation, a new deficit recovery plan has been agreed of which more detail is given in note 22 (i). This new plan requires deficit payments of 2% of salaries from 1 October 2019 to 30 September 2021 and then payments of 6% of salaries from 1 October 2021 to 31 March 2028. See also note 8 in respect of movements on USS and SAUL provisions.

SAUL deficit

The obligation to fund the past deficit on the Superannuation Arrangements of the University of London (SAUL) arises from the contractual obligation with the pension scheme for total payments relating to benefits arising from past performance. Management has assessed future employees within the SAUL scheme and salary payment over the period of the contracted obligation in assessing the value of this provision.

Other provisions

Other provisions are provisions which have arisen in the year where potential liabilities have been identified but the timing of any associated payments is uncertain. Payments associated with these provisions are expected to be made during the year to 31 July 2022. £724k relates to overseas tax liabilities in regard to past transactions that the University is currently in the process of agreeing with the relevant tax authority.

Notes to the Financial Statements

For the year ended 31 July 2021

22 Pension schemes

Different categories of staff were eligible to join one of two principal different schemes.

- Universities Superannuation Scheme (USS)
- Superannuation Arrangements of the University of London (SAUL)

The two main schemes, being USS and SAUL, are both defined-benefit schemes contracted out of the State Second Pension (S2P), the assets of which are held in separate trustee-administered funds.

The charge to the Consolidated Statement of Comprehensive Income is analysed as follows:

	Year ended 31 July 2021 £'000	Year ended 31 July 2020 £'000
USS	8,161	8,651
SAUL	3,385	3,165
Other pension schemes	100	160
	11,646	11,976

(i) The Universities Superannuation Scheme

The total cost charged to the Consolidated Statement of Comprehensive Income is £8,161k (2020: £8,651k).

The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at 31 March 2018 (the valuation date), which was carried out using the projected unit method.

Since the institution cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

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

The key financial assumptions used in the 2018 valuation are described below. More detail is set out in the Statement of Funding Principles.

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

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

	2018 valuation
Mortality base table	Pre-retirement:
	71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females.
	Post-retirement:
	97.6% of SAPS S1NMA 'light' for males and 102.7% of RFV00 for females.
Future improvements to mortality	CMI_2017 with a smoothing parameter of 8.5 and a long term-improvement rate of
	1.8% pa for males and 1.6% pa for females.

Notes to the Financial Statements

For the year ended 31 July 2021

22 Pension schemes (continued)

The current life expectancies on retirement at age 65 are:

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

A new deficit recovery plan was put in place as part of the 2018 valuation, which required payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 at which point the rate will increase to 6%. The 2020 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2021	2020
Discount rate	0.89%	0.74%
Pensionable salary growth	3%	2%

In the year ended 31 July 2020, the liability was based on the previous deficit recovery plan, which required payment of 5% of salaries over the period 1 April 2020 to 30 June 2034.

A further full valuation as at 31 March 2020 is currently underway. There is still work to be done agreeing the technical provisions assumptions, the extent of future investment risk, the duration of the deficit period and the level of deficit contributions. Rule changes in respect of strengthening the employer covenant are also in progress, including restrictions on employer exits, debt monitoring and pari passu arrangements. The valuation has not met its statutory deadline of 30 June 2021. It is anticipated that there will be an increase in the deficit provision and impact on cashflow as a consequence of the new schedule of contributions.

(ii) Superannuation Arrangements of the University of London

The Superannuation Arrangements of the University of London (SAUL) is a centralised defined benefit scheme within the United Kingdom and is contracted-out of the Second State Pension (prior to April 2016). SAUL is an independently managed pension scheme for the non-academic staff of over 50 colleges and institutions with links to higher education.

The total cost charged to the Profit and Loss Account is £3,385k (2020: £3,165k).

Since the institution cannot identify its share of SAUL assets and liabilities, the following disclosures reflect those relevant for SAUL as a whole.

Under Section 222 of the Pensions Act 2004, every scheme is subject to the Statutory Funding Objective, which is to have sufficient and appropriate assets to cover its technical provisions, which represent the current value of benefits to which members are entitled based on pensionable service to the valuation date. The latest available full actuarial valuation of SAUL was at 31 March 2020. At the valuation date, the value of the assets was £3,612 million and the value of the technical provisions was £3,829 million, indicating a shortfall of £217 million. The assets therefore were sufficient to cover 94% of the benefits which had accrued to members after allowing for expected future increases in earnings. Informal reviews of SAUL's position, reflecting changes in market conditions, cash flow information and new accrual of benefits, are carried out between formal valuations.

Most recent valuations of SAUL available year ended (in £million)

	2021	2020
SAUL assets	4,310	3,612
Total SAUL liabilities	3,931	3,829
FRS 102 total SAUL surplus / (deficit)	379	(217)
FRS 102 total funding level	110%	94%

Notes to the Financial Statements

For the year ended 31 July 2021

22 Pension schemes (continued)

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

Financial assumptions

	31 March 2020		31 March 2017	
	Technical provisions	Future service costs	Technical provisions	Future service costs
Discount rate:				
Pre-retirement	3.15% pa	3.15% pa	4.06% pa	4.03% pa
Post-retirement (non-CDF)	1.05% pa	1.05% pa	1.96% pa	1.93% pa
Post-retirement (CDF pensioners)	1.91% pa	1.91% pa	2.22% pa	N/A
Price inflation (RPI)	2.70% pa	2.70% pa	3.39% pa	3.35% pa
Price inflation (CPI)	RPI less 1% pa	RPI less 1% pa	2.49% pa	2.45% pa
Salary increases	3.49% pa	3.49% pa		
Pension increases in payment				
(Excess over GMP):				
Pre-2016 (CPI)	RPI less 1% pa	RPI less 1% pa	2.49% pa	N/A
Post-2016 (CPI max 2.5%)	CPI max 2.5% pa	CPI max 2.5% pa	1.77% pa	1.70% pa

Demographic assumptions

	31 March 2020	31 March 2017
Retirement		
Active final salary members	All at age 62	All at age 62
Other members	Earliest age unreduced	Earliest age unreduced
Mortality – base table	S2PA year of birth tables with the	S2PA year of birth tables weighted
	Middle table for females weighted as	100% for males and 94% for females
	Non-pensioners: 123% for males and	
	100% for females and pensioners:	
	118% for males and 97% for females	
Mortality – future improvements	CMI 2020 projections with a long-term	CMI 2016 projections with a long-term
	trend rate of 1.75% p.a.	improvement rate of 1.75% p.a.

The mortality assumptions used for the 31 March 2020 valuation result in the following life expectancies

Life expectancy for a male aged 65 now	21.1 years
Life expectancy at 65 for a male aged 45 now	22.7 years
Life expectancy for a female aged 65 now	24.4 years
Life expectancy at 65 for a female aged 45 now	26.2 years

Notes to the Financial Statements

For the year ended 31 July 2021

23 Endowment reserves

Restricted net assets relating to endowments are as follows:

	Restricted permanent endowments £'000	Expendable endowments £'000	2021 Total £'000	2020 Total £'000
Balances at 1 August 2020				
Capital	70,813	14,161	84,974	92,197
Accumulated income	2,227	1,080	3,307	3,619
	73,040	15,241	88,281	95,816
Donations	9	32	41	25
Project income	14	311	325	367
Investment income	1,506	301	1,807	2,123
Expenditure	(1,403)	(782)	(2,185)	(2,882)
Increase in market value of investments	15,032	3,005	18,037	(7,168)
Total endowment comprehensive income for the year	15,158	2,867	18,025	(7,535)
Restricted permanent capital being reclassified as expendable during the year	-	-	-	-
Restricted permanent accumulated income being reclassified as expendable during the year	-	-	-	-
At 31 July 2021	88,198	18,108	106,306	88,281
Transfers from accumulated income to capital in the year	35	(91)	(56)	(55)
Represented by:				
Capital	85,880	17,075	102,955	84,974
Accumulated income	2,318	1,033	3,351	3,307
	88,198	18,108	106,306	88,281

Notes to the Financial Statements

For the year ended 31 July 2021

23 Endowment reserves (continued)

Connected institutions		Opening fund balance	Income	Capital appreciation	Expenditure	Closing fund balance
Individual charities		Note	£'000	£'000	£'000	£'000
University of London Studentship Fund	a	7,712	160	1,597	(170)	9,299
University of London Research Fund	a	5,470	114	1,122	(172)	6,534
University of London Prize Fund	a	609	12	124	(26)	719
Convocation	b	3,383	71	681	(83)	4,052
Chadburn Lectures	c	12,764	271	2,700	(261)	15,474
Teachers of Anatomy	d	428	338	-	(336)	430
Maplethorpe	e	6,899	139	1,385	(67)	8,356
Perren	f	3,999	81	808	-	4,888
Frost Chair	g	3,196	66	662	(78)	3,846
Summarised charities		Number of trusts				
Research support	80	34,886	739	7,146	(780)	41,991
Bursary/Scholarship	18	6,582	132	1,332	(166)	7,880
General central University support	14	228	6	39	(10)	263
Other prize funds	8	2,125	44	441	(36)	2,574
		88,281	2,173	18,037	(2,185)	106,306

Analysis by asset		At 31 July 2021 £'000	At 31 July 2020 £'000
Current and non-current asset investments		102,955	84,974
Cash & current assets		3,351	3,307
		106,306	88,281

Notes to the Financial Statements

For the year ended 31 July 2021

23 Endowment reserves (continued)

a University of London Scholarship Fund

The Charity Commission approved a new scheme on 9 February 2011 for the use of these combined charitable trusts. The income is to be distributed to the Member Institutions of the University of London for three purposes: to award, to undertake research and to provide studentships.

b Convocation

This trust receives donations from University of London alumni and is used to support federal student services.

c Chadburn Lectureship in Medicine

This trust is to support up to eight lectureships on a part-time basis to provide opportunities for doctors in training whose personal circumstances preclude a full-time commitment to their careers.

d Teachers of Anatomy

This trust is to promote the study of anatomy within institutions of medical education in South East England by providing cadavers for the purpose of teaching and research in anatomy.

e Maplethorpe

This trust is to support up to two annual lectureships in the study of pharmacy.

f Perren

This trust is for the furtherance of astronomical knowledge and the study of astronomy.

g Frost Chair

This trust is to support an academic Chair in Ophthalmology.

h Warburg Institute

The Warburg Institute is a constituent part of the School of Advanced Study specialising in cultural history, art history and history of ideas in the Renaissance. The Warburg Institute operates as an integral part of the operation of the University of London and therefore the income and expenditure of the Warburg Institute are included within the University Income and Expenditure Account. The designated reserves of the Warburg Institute are included within University reserves.

Notes to the Financial Statements

For the year ended 31 July 2021

24 Restricted reserves

Reserves with restrictions are as follows:

	Unspent capital grants £'000	Donations £'000	2021 Total £'000	2020 Total £'000
Balances at 1 August	-	407	407	321
New donations	82	368	450	434
Expenditure	(82)	(160)	(242)	(348)
Total restricted comprehensive income for the year	-	208	208	86
At 31 July	-	615	615	407
Analysis of other restricted funds /donations by type of purpose:				
Scholarships and bursaries			190	98
Research support			125	11
General			300	298
			615	407

25 Cash and cash equivalents

	At 1 August 2020 £'000	Cash flows £'000	At 31 July 2021 £'000
Consolidated			
Cash and cash equivalents	36,668	28,810	65,478
	36,668	28,810	65,478

Analysis of changes in net funds

	At 1 August 2020 £'000	Cashflows £'000	At 31 July 2021 £'000
Consolidated			
Cash and cash equivalents	36,668	28,810	65,478
Endowment assets – short-term deposits and cash	3,307	44	3,351
Other investments – short-term deposits and cash	-	-	-
	39,975	28,854	68,829
Current asset investments	-	-	-
Debt due after one year	(73,339)	72	(73,267)
	(33,364)	28,926	(4,438)

Management of liquid resources comprises endowment assets, short-term deposits and current asset investments.

Due to some of the consolidated cash and cash equivalents balances being held by subsidiaries, the University-only figures are lower than the consolidated figures: £3,188,000 lower at 1 August 2020, and £4,689,000 lower at 31 July 2021.

Included within cash and cash equivalents is a £500,000 deposit received from British Institute of International and Comparative Law in regard to a lease currently being negotiated. The corresponding transaction is included within other payables.

Notes to the Financial Statements

For the year ended 31 July 2021

26 Consolidated reconciliation of net debt

	31 July 2021 £'000
Net debt 1 August 2020	37,628
Movement in cash and cash equivalents	28,810
Other non-cash changes	(57,569)
Changes in market value and exchange rates	(300)
Net debt 31 July 2021	8,569
Change in net debt	(29,059)

	31 July 2021 £'000	31 July 2020 £'000
Analysis of net debt:		
Cash and cash equivalents	65,478	36,668
Borrowings: amounts falling due within one year		
Unsecured loans	780	762
	780	762
Borrowings: amounts falling due after more than one year		
Unsecured loans	73,267	73,534
	73,267	73,534
Net debt	8,569	37,628

27 Financial instruments

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Financial assets				
<i>Financial assets that are debt instruments measured at amortised cost</i>				
Cash and cash equivalents	65,478	60,789	36,668	33,480
Other debtors	13,670	17,305	19,998	21,204
Financial liabilities				
<i>Financial liabilities measured at amortised cost</i>				
Loans	74,047	74,047	74,296	74,296
Trade creditors	1,825	1,807	918	873
Other creditors	28,123	28,001	2,384	2,296

Notes to the Financial Statements

For the year ended 31 July 2021

28 Capital and other commitments

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Commitments contracted for	3,890	3,890	859	859
	3,890	3,890	859	859

29 Lease obligations

Total rentals payable and receivable under operating and finance leases:

	Year ended 31 July 2021			Year ended 31 July 2020	
	Land and Buildings finance lease £'000	Land and Buildings operating lease £'000	Other operating leases £'000	Total £'000	Total £'000
Payable during the year	1	540	131	672	2,417
Future minimum lease payments due:					
Not later than 1 year	1	-	142	143	409
Later than 1 year and not later than 5 years	3	-	145	148	198
Later than 5 years	13	-	-	13	13
Total lease payments due	17	-	287	304	620
Future minimum lease receipts due:					
Not later than 1 year	62	1,308	-	1,370	638
Later than 1 year and not later than 5 years	51	3,920	-	3,971	790
Later than 5 years	922	17,638	-	18,560	3,501
Total lease payments due	1,035	22,866	-	23,901	4,929

30 Related parties

In line with the Committee of University Chairman guidance, all members of the Board, the Vice Chancellor's Executive Group and the Collegiate Council are required to complete an annual register of interests to record any areas of potential conflict with the interests of the University. Due to the nature of the University's operations and the composition of the Board of Trustees, the Vice Chancellor's Executive Group and the Collegiate Council it is inevitable that transactions will take place with organisations in which a member of the Board, Vice Chancellor's Executive Group or Council may have an interest. We have reviewed all interests declared and considered if transactions have occurred with those declared bodies. We have not identified any transactions which occurred in the current or prior financial year, that are considered to be material to either the University or the third party identified. All transactions involving organisations in which a member of the Board, Vice Chancellor's Executive Group or Council may have an interest are conducted at arm's length in accordance with the University's financial regulations and normal procurement procedures. Furthermore, the University does not consider the relationship between the University and its Colleges/Member Institutions to be a related party relationship. Refer to the Corporate Governance Statement (pages 26 to 28) for more detail on the relationship between the University and its Colleges.

Trustees are not entitled to and did not receive any remuneration for their services. Four Trustees received a total of £1,918 (2019–2020: 4 Trustees £2,573) representing the reimbursement of travel and subsistence expenses incurred in attending Board of Trustees and Committee meetings and events in their official capacity.

Notes to the Financial Statements

For the year ended 31 July 2021

31 Accounting estimates and judgements

Estimates

Estimates used to calculate pension deficit liability

The pension provision includes key assumptions on discount rates, salary inflation and staff numbers in the future. The USS pensions liability has been calculated using a discount rate of 0.89%, an average salary increase rate of 3% per year and staff growth rate of 3% per year. The changes in salary costs and staff numbers have been assessed using the forecast impact of the University's strategic plans on the number of staff employed, and known statutory and other increases to pay. The discount rate used is considered to be the equivalent of that of a high-quality corporate bond.

Judgements

Treatment of pension schemes

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 those provided by USS and SAUL. 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 is recognised in profit or loss. The University is satisfied that the schemes provided by USS and SAUL meet the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving the financial statements.

USS deficit funding arrangements

There was uncertainty around future funding arrangements for the USS deficit, the valuation as at 31 March 2020 being underway but not yet complete as at the year end. The 2018 valuation set out the likelihood of significant increases in contributions being required. The University believes that as the valuation and consultation was not complete as at 31 July 2021, it remained appropriate to continue to account for the past deficit obligation in accordance with the plan agreed after the 2017 actuarial valuation. There are key estimates underlying the valuation such as future staff and salary assumptions and the discount rate used. Further disclosure of the 31 March 2018 valuation and these estimates have been undertaken in note 22(i).

Investment properties

For the year ended 31 July 2020 and 31 July 2021, 52–60 Gower Street has been valued on a development basis. The remaining properties continue to be valued by capitalising both the term at passing rent and the reversionary interest at market rent. Appropriate yields have been applied to the term and reversion respectively in order to provide an investment value of the University's interest in the land and buildings after making allowance for purchaser's costs.

The property markets were negatively impacted as a consequence of COVID-19. Therefore, the valuation carried out by CBRE Ltd for 31 July 2020 was reported as being subject to a 'material valuation uncertainty' due to the unknown future impact that COVID-19 might have on the real estate market as at 31 July 2020. The University is satisfied that the balances reported were not materially misstated. Since 11 October 2020, this material uncertainty clause was removed and there has been no significant movement in the property market that would impact on these valuations.

32 Post Balance Sheet events

Since the year end, following the completion of the 2020 actuarial valuation, a new dual rate schedule of contributions has been agreed with an effective date of 1 October 2021. Recalculating the USS provision on the basis of these contributions would result in an increased obligation to fund the deficit of £42,401,630, an increase of £28,475,619.

A further change to deficit recovery contributions will become applicable under the 2020 valuation if the Joint Negotiating Committee recommended deed on benefit changes has not been executed by 28 February 2022. In this scenario, higher deficit recovery contributions will commence from 1 October 2022 at 3% and then increase every 6 months until they reach 20% at 1 October 2025. They remain at this level until 31 July 2032. Negotiations continue and an increase to this level is considered remote.

If the Schedule of Contributions remains unchanged, the University's financial statements for the year ended 31 July 2022 will reflect these changes to the provision, subject to any other changes in financial and operational assumptions.

Annex to Financial Statements

Remuneration Committee Annual Statement

In preparing the financial statements, the University has had regard to the Committee of University Chairs (CUC) Higher Education Senior Staff Remuneration Code (the Code), published in June 2018.

Below is a report on the current constitution and mode of operation of the Committee, and the Committee’s latest report to the Board of Trustees.

Constitution

The Remuneration Committee, which shall be appointed by the Board of Trustees, shall comprise:

- At least three independent members of the Board of Trustees one of whom would act as Chair.
- The Chair of the Board of Trustees.
- One Head of Member Institution on the Board of Trustees.
- The Committee may co-opt an additional external member with appropriate specialist experience in the field of remuneration.

The Committee is not chaired by the Chair of the Board of Trustees

Mode of Operation

The Vice-Chancellor is not a member of the Committee, but may be invited to attend and participate in its meetings to advise the Committee as required on his or her direct reports. The Vice-Chancellor, the Secretary and any other officer or member attending shall not be present when their remuneration and terms and conditions of employment are being considered.

Report to the Board of Trustees

At its last meeting on 6 January 2021, the members of the Remuneration Committee were as follows.

Constituency	Member
Independent member of the Board of Trustees (Chair)	Abdul Bhanji
The Chair of the Board of Trustees	Sir Richard Dearlove
Independent member of the Board of Trustees	Stella Beaumont
Independent member of the Board of Trustees	Andrew Ratcliffe
One Head of a Member Institution on the Board of Trustees	Professor Stuart Reid

- 1 In attendance at the meeting were the Vice-Chancellor, Professor Wendy Thomson and Simon Cain (Director of Human Resources (HR) and Secretary to the Committee). The Vice-Chancellor withdrew from the meeting for the duration of the discussion on her remuneration and work pattern.
- 2 The Committee transacted the following business:
 - 2.1 reviewed the salary, emoluments, allowances and other financial benefits payable by the University to the Vice-Chancellor
 - 2.2 reviewed the emoluments paid to the Deputy Vice-Chancellor
 - 2.3 reviewed the salary, emoluments, allowances and other financial benefits payable by the University to its most senior staff

- 2.4 received an oral update from the Vice-Chancellor on other staff employed by the University on Level 10 of the academic-related salary scale or its equivalent
- 2.5 received a draft of the Gender Pay Gap analysis, and
- 2.6 received an oral update from the Director of HR on the Ethnicity Pay Gap Analysis.

Current remuneration context

- 3 The remuneration of the Vice-Chancellor and the University's most senior staff, currently defined as those reporting directly to the Vice-Chancellor, is determined in the context of:
 - 3.1 The ambition set out in the new University Strategy 2020–2025.
 - 3.2 The ongoing impact of the COVID-19 pandemic on the University's finances and operations.
 - 3.3 The University's role as a services provider across and beyond the higher education (HE) sector.
 - 3.4 The University's significant property portfolio, which provides inter alia, academic teaching space, student halls and conferencing facilities; and
 - 3.5 The University's central London location and regional, national and global role.
- 4 The Committee's decisions on individual remuneration were informed by:
 - 4.1 The UCEA (Universities and Colleges Employers Association) Senior Staff Remuneration Survey 2019 – with reference to relevant benchmarks (e.g. institution type, location, size and job function); and
 - 4.2 (For the Vice-Chancellor) (i) remuneration of the Heads of Member Institutions of the University extracted from published financial statements; and (ii) data from the CUC (Committee of University Chairs) 2020 Survey of Vice-Chancellors' remuneration.
- 5 The Committee noted that:
 - 5.1 The Vice-Chancellor and a small number of senior staff had voluntarily offered a 10% reduction in their remuneration for the period 1 August 2020 to 31 July 2021, a gesture that was appreciated by the Committee.
 - 5.2 The Vice-Chancellor had made expressly clear that she did not expect nor would she welcome any upward adjustment to her remuneration;
 - 5.3 Professor Paul Layzell was content to continue to perform the role of Deputy Vice-Chancellor unremunerated;
 - 5.4 The Vice-Chancellor had conducted appraisals with each of her direct reports (the University's most senior staff); and
 - 5.5 The University's most senior staff had not expressed any expectation that their remuneration would be adjusted upwards.

Remuneration decisions for 2020–2021

- 6 The decisions of the Committee on the remuneration of the Vice-Chancellor, Deputy Vice-Chancellor and most senior staff are recorded in the minutes of the meeting of 6 January 2021. The Board is specifically asked to note:
 - 6.1 The remuneration package of the Vice-Chancellor, Professor Wendy Thomson, will remain unchanged.
 - 6.2 The Vice-Chancellor should continue to be engaged for the foreseeable future on a full-time basis, to enable her to continue to lead the University's response to the financial and operational challenges presented by the COVID-19 pandemic and to meet the commitments she has made in respect of delivering the ambitious new University Strategy. The Committee also agreed to review of the Vice-Chancellor's work pattern on an annual basis.
 - 6.3 The Deputy Vice-Chancellor would continue unremunerated.
 - 6.4 The remuneration package of the University's most senior staff will remain unchanged.

Remuneration of most senior staff

- 7 The Committee welcomed the Vice-Chancellor's confirmation that she was in the process of agreeing objectives with this group and that the Committee's future discussions on their remuneration would be informed by progress against set objectives, targets and key performance indicators.

Remuneration of other senior staff

- 8 The Committee strongly supported the University's intention to continue to develop the evidential evaluation of this group's performance and to shift to a more performance-oriented culture.
- 9 The Committee noted that the University's other senior staff – this group comprises Directors and Professors employed by the University, and the administrative and other staff employed by the University on Level 10 – would not be receiving any adjustments to their remuneration either by way of (i) a discretionary adjustment to salary, (ii) a one-off payment based on performance, or (iii) a cost of living increase.

Pay gap reports

- 10 The Committee reviewed the draft Gender Pay Gap Analysis for 2020. The Committee welcomed both the encouraging changes/trends to the relevant data and the intention to carry out further analysis of the data.
- 11 The Committee received an oral update on the Ethnicity Pay Gap Analysis. The Committee welcomed the update and emphasised the importance of continuing the analysis of data in this area.



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